

**\$450,000,000**

**LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION  
LEASE REVENUE OBLIGATION COMMERCIAL PAPER NOTES**

**Series A (Tax Exempt  
Governmental)(Callable)  
Series B (Tax Exempt Governmental) and  
Series C (Tax Exempt Governmental)**

**Series A (Tax Exempt 501(c)(3)) (Callable)  
Series B (Tax Exempt 501(c)(3)) and  
Series C (Tax Exempt 501(c)(3))**

**Series A (Taxable) (Callable)  
Series B (Taxable) and  
Series C (Taxable)**

*This Offering Memorandum has been prepared on behalf of Barclays Capital Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, US Bancorp and Wells Fargo Securities, as dealers (collectively, the “Dealers” and each, a “Dealer” for a Series) for the Los Angeles County Capital Asset Leasing Corporation (the “Corporation”), and contains certain information regarding the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series A (Tax Exempt Governmental) (Callable) (the “Series A Tax Exempt Governmental Commercial Paper Notes”), the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series A (Tax Exempt 501(c)(3)) (Callable) (the “Series A Tax Exempt 501(c)(3) Commercial Paper Notes”), and the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series A (Taxable) (Callable) (the “Series A Taxable Commercial Paper Notes”; collectively, the Series A Tax Exempt Governmental Commercial Paper Notes, the Series A Tax Exempt 501(c)(3) Commercial Paper Notes and the Series A Taxable Commercial Paper Notes are collectively referred to herein as the “Callable Commercial Paper Notes”), the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series B (Tax Exempt Governmental) (the “Series B Tax Exempt Governmental Commercial Paper Notes”), the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series B (Tax Exempt 501(c)(3)) (the “Series B Tax Exempt 501(c)(3) Commercial Paper Notes”), and the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series B (Taxable) (the “Series B Taxable Commercial Paper Notes”), the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series C (Tax Exempt Governmental) (the “Series C Tax Exempt Governmental Commercial Paper Notes”), the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series C (Tax Exempt 501(c)(3)) (the “Series C Tax Exempt 501(c)(3) Commercial Paper Notes”) and the Corporation’s Lease Revenue Obligation Commercial Paper Notes, Series C (Taxable) (the “Series C Taxable Commercial Paper Notes”). The Series A Tax Exempt Governmental Commercial Paper Notes, the Series B Tax Exempt Governmental Commercial Paper Notes and the Series C Tax Exempt Governmental Commercial Paper Notes are collectively referred to herein as the “Tax Exempt Governmental Commercial Paper Notes.” The Series A Tax Exempt 501(c)(3) Commercial Paper Notes, the Series B Tax Exempt 501(c)(3) Commercial Paper Notes and the Series C Tax Exempt 501(c)(3) Commercial Paper Notes are collectively referred to herein as the “Tax Exempt 501(c)(3) Commercial Paper Notes.” The Series A Taxable Commercial Paper Notes, the Series B Taxable Commercial Paper Notes and the Series C Taxable Commercial Paper Notes are collectively referred to herein as the “Taxable Commercial Paper Notes.” The Tax Exempt Governmental Commercial Paper Notes, the Tax Exempt 501(c)(3) Commercial Paper Notes and the Taxable Commercial Paper Notes are collectively referred to herein as the “Commercial Paper Notes.” All references to the*

*documents and other materials are qualified in their entirety by reference to the complete provisions of such documents and other materials.*

*J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and US Bancorp are currently the only authorized dealers for the Callable Commercial Paper Notes.*

*The principal amount due and payable at the stated maturity of each Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, including accrued interest on the Callable Commercial Paper Notes upon redemption prior to maturity, but not the Redemption Price thereof, is supported by a separate letter of credit (each, a “Letter of Credit”) issued by each of JPMorgan Chase Bank, National Association, U.S. Bank National Association and, Wells Fargo Bank, National Association (each, an “LC Bank”). Timely payment of such principal of and interest on each Series of Commercial Paper Notes is dependent upon the availability of proceeds of drawings under the applicable Letter of Credit. Accordingly, this Offering Memorandum does not contain financial and other information relating to the finances of the County or its ability to make Base Rental (as defined herein) payments. **The investment decision to purchase a Series of Commercial Paper Notes should be made solely on the basis of the creditworthiness of the LC Bank that has issued the applicable Letter of Credit from which will be paid all such principal of and interest on such Series of Commercial Paper Notes, rather than the County.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay such principal of and interest on such Series of Commercial Paper Notes. If, for any reason, an LC Bank fails to make a payment due under its Letter of Credit, such principal of and interest on such Series of Commercial Paper Notes may not be paid when due, and the County would have no obligation to make any payments with respect to such Series of Commercial Paper Notes apart from the County’s obligation to make Base Rental payments as and when due, as more particularly described herein. The ratings assigned to each Series of Commercial Paper Notes are based on the creditworthiness of the LC Bank that has issued the applicable Letter of Credit. See “RATINGS” and “INVESTMENT CONSIDERATIONS” herein.*

*The Callable Commercial Paper Notes are subject to redemption prior to maturity as described herein, and such redemption may be rescinded in certain circumstances as described herein. Prospective investors should carefully consider the possibility of redemption prior to maturity of such Callable Commercial Paper Notes and/or rescission of any such proposed redemption in its investment decision. The payment of the Redemption Price is not supported by any Credit Facility.*

***Any purchase of Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed, or secondary transactions related thereto, shall be on a when issued basis. As a result, any rescission of a proposed redemption of existing Callable Commercial Paper Notes would correspondingly result in the cancellation of the purchase of the new Callable Commercial Paper Notes (or new Commercial Paper Notes that are not subject to a Call Option, as applicable) proposed to be issued in connection therewith.***

*Although this information is believed to be accurate, the Dealers do not represent that such information is accurate and complete, and it should not be relied upon as such. A variety of other information, including financial information, concerning the County of Los Angeles (the "County"), is available from publications and websites of the County and others and on a more limited basis for the Corporation. Any such information that is inconsistent with the information set forth in this Offering Memorandum should be disregarded. No such information is a part of or incorporated into this Offering Memorandum, except as expressly noted herein. The information and expressions of opinion in this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since April 1, 2015. Neither the information nor any opinion contained or expressed herein constitutes a solicitation by the Dealers of the purchase or sale of any instruments. The information contained herein will not typically be distributed or updated upon each new sale of any Commercial Paper Notes, although such information will be distributed from time to time. Further, the information in this Offering Memorandum is not intended as a substitute for the investors' own inquiry into the creditworthiness of the LC Bank that has issued the applicable Letter of Credit, and investors are encouraged to make such inquiry.*

*No dealer, broker, salesperson or other person has been authorized by the LC Banks, the Dealers, the Corporation or the County to give any information or to make any representations other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the LC Banks, the Dealers, the Corporation or the County.*

*The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.*

*This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Commercial Paper Notes by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Offering Memorandum is not to be construed as a contract with the purchasers of the Commercial Paper Notes. Statements contained in this Offering Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.*

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## THE COMMERCIAL PAPER NOTES

### General

The Los Angeles County Capital Asset Leasing Corporation (the “*Corporation*”) has entered into a Second Amended and Restated Trust Agreement, dated as of April 1, 2013 (the “*Trust Agreement*”), with U.S. Bank National Association, as successor trustee (the “*Trustee*”), pursuant to which the Corporation is authorized to issue the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Obligations (the “*Lease Revenue Obligations*”) from time to time in the form of commercial paper notes and direct placement revolving notes in a maximum aggregate principal amount of \$600,000,000. This Offering Memorandum describes the Lease Revenue Obligations to be issued by the Corporation from time to time pursuant to the Trust Agreement in the form of commercial paper notes.

Pursuant to the Trust Agreement and a Second Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2013 (the “*Issuing and Paying Agent Agreement*”), by and between the Corporation and U.S. Bank National Association, as successor issuing and paying agent (the “*Issuing and Paying Agent*”), the Corporation will issue its Lease Revenue Obligation Commercial Paper Notes, Series A (Tax Exempt Governmental) (Callable) (the “*Series A Tax Exempt Governmental Commercial Paper Notes*”), its Lease Revenue Obligation Commercial Paper Notes, Series A (Tax Exempt 501(c)(3)) (Callable) (the “*Series A Tax Exempt 501(c)(3) Commercial Paper Notes*”) and its Lease Revenue Obligation Commercial Paper Notes, Series A (Taxable) (Callable) (the “*Series A Taxable Commercial Paper Notes*” and together with the Series A Tax Exempt Governmental Commercial Paper Notes and the Series A Tax Exempt 501(c)(3) Commercial Paper Notes, the “*Callable Commercial Paper Notes*”) in a maximum aggregate principal amount of \$150,000,000, its Lease Revenue Obligation Commercial Paper Notes, Series B (Tax Exempt Governmental) (the “*Series B Tax Exempt Governmental Commercial Paper Notes*”), its Lease Revenue Obligation Commercial Paper Notes, Series B (Tax Exempt 501(c)(3)) (the “*Series B Tax Exempt 501(c)(3) Commercial Paper Notes*”) and its Lease Revenue Obligation Commercial Paper Notes, Series B (Taxable) (the “*Series B Taxable Commercial Paper Notes*” and together with the Series B Tax Exempt Governmental Commercial Paper Notes and the Series B Tax Exempt 501(c)(3) Commercial Paper Notes, the “*Series B Commercial Paper Notes*”) in a maximum aggregate principal amount of \$100,000,000, and its Lease Revenue Obligation Commercial Paper Notes, Series C (Tax Exempt Governmental) (the “*Series C Tax Exempt Governmental Commercial Paper Notes*”), its Lease Revenue Obligation Commercial Paper Notes, Series C (Tax Exempt 501(c)(3)) (the “*Series C Tax Exempt 501(c)(3) Commercial Paper Notes*”), and its Lease Revenue Obligation Commercial Paper Notes, Series C (Taxable) (the “*Series C Taxable Commercial Paper Notes*”, and, together with the Series C Tax Exempt Governmental Commercial Paper Notes and the Series C Tax Exempt 501(c)(3) Commercial Paper Notes, the “*Series C Commercial Paper Notes*”), in a maximum aggregate principal amount of \$200,000,000, for the purpose of providing moneys which will be sufficient, among other things, (i) to finance the acquisition of capital assets, including equipment and real property, to be used by the County for various municipal purposes and (ii) to pay the initial costs of issuance of the Commercial Paper Notes. The Series A Tax Exempt Governmental Commercial Paper Notes, the Series B Tax Exempt Governmental Commercial Paper Notes and the Series C Tax Exempt Governmental

Commercial Paper Notes are collectively referred to herein as the “Tax Exempt Governmental Commercial Paper Notes.” The Series A Tax Exempt 501(c)(3) Commercial Paper Notes, the Series B Tax Exempt 501(c)(3) Commercial Paper Notes and the Series C Tax Exempt 501(c)(3) Commercial Paper Notes are collectively referred to herein as the “Tax Exempt 501(c)(3) Commercial Paper Notes.” The Series A Taxable Commercial Paper Notes, the Series B Taxable Commercial Paper Notes and the Series C Taxable Commercial Paper Notes are collectively referred to herein as the “Taxable Commercial Paper Notes.” The Tax Exempt Governmental Commercial Paper Notes, the Tax Exempt 501(c)(3) Commercial Paper Notes and the Taxable Commercial Paper Notes are collectively referred to herein as the “*Commercial Paper Notes*.” The Series A Commercial Paper Notes, the Series B Commercial Paper Notes and the Series C Commercial Paper Notes are each a “*Series*” of the Commercial Paper Notes.

Pursuant to the Trust Agreement, the Corporation may request Advances from time to time under the Direct Placement Revolving Credit Agreement and evidenced by the Direct Placement Revolving Notes in an aggregate principal amount not to exceed \$150,000,000.

The payment of the principal amount due and payable at the stated maturity of the Callable Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, including accrued interest on the Callable Commercial Paper Notes upon redemption prior to maturity, but not the Redemption Price thereof, is supported by a letter of credit (the “*Series A Letter of Credit*”) issued by JPMorgan Chase Bank, National Association (the “*Series A Credit Facility Provider*”), pursuant to a Letter of Credit and Reimbursement Agreement dated as of April 1, 2013 (the “*Series A Reimbursement Agreement*”), among the Series A Credit Facility Provider, the County and the Corporation. The payment of the principal amount due and payable at the stated maturity of the Series B Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, is supported by a letter of credit (the “*Series B Letter of Credit*”) issued by U.S. Bank National Association (the “*Series B Credit Facility Provider*”), pursuant to a Letter of Credit and Reimbursement Agreement dated as of April 1, 2013 (the “*Series B Reimbursement Agreement*”), among the Series B Credit Facility Provider, the County and the Corporation. The payment of the principal amount due and payable at the stated maturity of the Series C Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, is supported by a letter of credit (the “*Series C Letter of Credit*” and together with the Series A Letter of Credit and the Series B Letter of Credit, collectively referred to herein as the “*Letters of Credit*” and each individually as a “*Letter of Credit*”) issued by Wells Fargo Bank, National Association (the “*Series C Credit Facility Provider*” and together with the Series A Credit Facility Provider and the Series B Credit Facility Provider, collectively referred to herein as the “*LC Banks*” and each individually as an “*LC Bank*”), pursuant to a Letter of Credit and Reimbursement Agreement dated as of April 1, 2013 (the “*Series C Reimbursement Agreement*” and together with the Series A Reimbursement Agreement and the Series B Reimbursement Agreement, collectively referred to herein as the “*Reimbursement Agreements*” and each individually as a “*Reimbursement Agreement*”), among the Series C Credit Facility Provider, the County and the Corporation.

Timely payment of such principal of and interest on each Series of Commercial Paper Notes is dependent upon the availability of proceeds of drawings under the applicable Letter of Credit, and accordingly, this Offering Memorandum does not contain information relating to the

ability of the County to make Base Rental (as defined herein) payments. **The investment decision to purchase a Series of Commercial Paper Notes should be made solely on the basis of the creditworthiness of the LC Bank that has issued the applicable Letter of Credit from which will be paid all principal of and interest on such Series of Commercial Paper Notes, rather than the County.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay such principal of and interest on such Series of Commercial Paper Notes. If, for any reason, an LC Bank fails to make a payment due under its Letter of Credit, such principal of and interest on such Series of Commercial Paper Notes may not be paid when due, and the County would have no obligation to make any payments with respect to such Series of Commercial Paper Notes apart from the County's obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to each Series of Commercial Paper Notes are based on the creditworthiness of the LC Bank that has issued the applicable Letter of Credit. See "RATINGS" and "INVESTMENT CONSIDERATIONS" herein.

Principal of and interest on any Series of Commercial Paper Notes are payable from the proceeds of Commercial Paper Notes issued to pay such principal and interest and are also payable from Base Rental payments to be made by the County pursuant to a Second Amended and Restated Sublease, dated as of April 1, 2013 (the "*Original Second Amended and Restated Sublease*"), by and between the Corporation, as sublessor, and the County, as sublessee, as amended by a First Amendment to Second Amended and Restated Sublease, dated as of April 1, 2015 (the "*First Amendment to Original Second Amended and Restated Sublease*" and the Original Second Amended and Restated Sublease, as amended by the First Amendment to Second Amended and Restated Sublease and as it may be further amended or supplemented from time to time, is hereinafter referred to as the "*Sublease*"), by and between the Corporation, as sublessor, and the County, as sublessee. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES." The payment of the principal amount due and payable at the stated maturity of each Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, including accrued interest on the Callable Commercial Paper Notes upon redemption prior to maturity, but not the Redemption Price thereof, is further supported by a separate Letter of Credit. See "THE LETTERS OF CREDIT."

Principal of the Commercial Paper Notes shall be payable at maturity, or on redemption prior thereto, in lawful money of the United States of America in immediately available funds, at the corporate trust office of the Issuing and Paying Agent to the Owner thereof. Interest on the Commercial Paper Notes shall be payable at maturity, or on redemption prior thereto, as set forth in the following sentence, in lawful money of the United States of America in immediately available funds, at the corporate trust office of the Issuing and Paying Agent to the Owner thereof. Accrued interest on any Callable Commercial Paper Notes upon redemption prior to maturity shall be payable on the Redemption Date in lawful money of the United States of America in immediately available funds, at the corporate trust office of the Issuing and Paying Agent to the Owner thereof; *provided, however*, that upon a Failed Remarketing or a Failed Settlement and the rescission of the proposed redemption of such Callable Commercial Paper Notes, (i) accrued interest on such Callable Commercial Paper Notes shall be payable at maturity rather than on the Redemption Date; and (ii) any amount drawn on the Credit Facility for the payment of the accrued interest on the Callable Commercial Paper Notes upon such designated Redemption Date shall be immediately returned to the applicable LC Bank.



***Any purchase of Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed, or secondary transactions related thereto, shall be on a when issued basis. As a result, any rescission of a proposed redemption of existing Callable Commercial Paper Notes would correspondingly result in the cancellation of the purchase of the new Callable Commercial Paper Notes (or new Commercial Paper Notes that are not subject to a Call Option, as applicable) proposed to be issued in connection therewith.***

The Redemption Price (as defined herein) of Callable Commercial Paper Notes shall be payable solely from the following sources in the following order of priority: (i) to the extent amounts sufficient to pay such Redemption Price have been deposited in the applicable Refunding Proceeds Redemption Price Subaccount of the Commercial Paper Notes Payment Subaccount from the proceeds of any long-term bonds or certificates of participation fixed to maturity issued to pay such Redemption Price to such Owner on the Redemption Date, from such proceeds on deposit in the applicable Refunding Proceeds Redemption Price Subaccount of the Commercial Paper Notes Payment Subaccount; and (ii) the proceeds of the sale of any Commercial Paper Notes.

Each Series of Commercial Paper Notes is authorized in a maximum aggregate principal amount which, together with the amount of interest to accrue on such Commercial Paper Notes through the respective maturity dates thereof, will not exceed the Stated Amount of the Letter of Credit supporting such Series. The current Stated Amount (i) under the Series A Credit Facility as of April 1, 2015 is \$[153,698,631], (ii) under the Series B Credit Facility is \$[102,465,754] and (iii) under the Series C Credit Facility is \$[204,931,507]. Under the Trust Agreement, the Issuing and Paying Agent may not cause the issuance of Commercial Paper Notes unless the Corporation has certified to the Issuing and Paying Agent that the amount available to be drawn under the applicable Credit Facility will, upon the issuance of such Commercial Paper Notes, be in an amount sufficient to pay the principal thereof and interest thereon at the rates then in effect with respect to such Commercial Paper Notes through the maturity dates thereof. The Commercial Paper Notes are permitted to be issued in denominations of \$100,000 and integral multiples of \$1,000 in excess thereof and in book-entry form through the book-entry system of The Depository Trust Company, New York, New York (“DTC”) as described below. A Series or multiple Series of Commercial Paper Notes may be subject to redemption prior to maturity if designated as Callable Commercial Paper Notes pursuant to the Trust Agreement; *provided, however*, that the Corporation may only designate Commercial Paper Notes to be subject to a Call Option only if the applicable Credit Facility is available to pay the accrued interest on such Callable Commercial Paper Notes payable upon redemption prior to maturity. So long as any Callable Commercial Paper Notes are outstanding, the Corporation shall use the book-entry system with respect to the Commercial Paper Notes. A Series of Commercial Paper Notes shall bear interest at a rate not in excess of the Maximum Interest Rate and shall not be subject to redemption prior to maturity other than during a Call Exercise Period. Interest on the Commercial Paper Notes is payable on their respective maturity dates. The Commercial Paper Notes shall mature not more than 270 days after the date of issuance and, if designated as Callable Commercial Paper Notes pursuant to the Trust Agreement, shall mature on a Business Day not earlier than thirty-eight (38) days following the related date of issue, and in no event later than the five (5) days prior to the stated expiration or termination date of the applicable

Credit Facility supporting the payment of such Series of Commercial Paper Notes on April 18, 2016, or such later date to which the applicable Credit Facility hereinafter referred to shall have been extended, unless the Corporation shall have arranged for an Alternate Credit Facility for such Series pursuant to the Trust Agreement. Tax Exempt Governmental Commercial Paper Notes and Tax Exempt 501(c)(3) Commercial Paper Notes shall be interest bearing. Taxable Commercial Paper Notes may be issued and sold at a discount or may be interest bearing; provided that Taxable Commercial Paper Notes that are Callable Commercial Paper Notes shall only be issued as interest bearing (and not issued at a discount). To evidence the indebtedness of the Corporation due and owing to each LC Bank under the related Reimbursement Agreement with respect to amounts drawn under the applicable Letter of Credit, the Corporation will issue a separate Revolving Note pursuant to the terms of each Reimbursement Agreement.

As used herein, the following terms shall have the meanings set forth below:

“*Advance*” means (i) with respect to a Credit Facility, each advance or loan (whether a revolving loan or term loan) of funds made under and subject to the provisions contained in such Credit Facility or the related Reimbursement Agreement, as applicable, and (ii) with respect to a Direct Placement Revolving Credit Agreement, each advance or loan (whether a revolving loan or term loan) of funds made under and subject to the provisions contained in such Direct Placement Revolving Credit Agreement.

“*Alternate Credit Facility*” means an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by an LC Bank to facilitate the payment of a Series of Commercial Paper Notes in accordance with the provisions of the Trust Agreement, as such Alternate Credit Facility may be amended or supplemented from time to time.

“*Category*” means one of the following categories of Lease Revenue Obligations: (i) Notes; and (ii) Direct Placement Revolving Notes.

“*Credit Facility*” means (a)(i) with respect to Series A Commercial Paper Notes, the Series A Credit Facility, (ii) with respect to Series B Commercial Paper Notes, the Series B Credit Facility, (iii) with respect to Series C Commercial Paper Notes, the Series C Credit Facility, and (iv) with respect to any Additional Series of Commercial Paper Notes, any irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by an LC Bank to facilitate the payment of Commercial Paper Notes of such Additional Series and (b) any Alternate Credit Facility.

“*Credit Provider*” means any LC Bank or any Direct Placement Bank.

“*Credit Provider Agreement*” means any Reimbursement Agreement or any Direct Placement Revolving Credit Agreement.

“*Direct Placement Bank*” means, collectively, any provider obligated to make Advances to the Corporation under a Direct Placement Revolving Credit Agreement evidenced by one or more Direct Placement Revolving Note(s) issued as a Series of Lease Revenue Obligations pursuant to the provisions of the Trust Agreement.

*“Direct Placement Revolving Credit Agreement”* means, collectively, any revolving credit agreement and related fee letter agreement entered into among the Corporation, the County and a Direct Placement Bank providing for Advances made by such Direct Placement Bank to the Corporation evidenced by one or more Direct Placement Revolving Note(s) issued as a Series of Lease Revenue Obligations pursuant to the provisions of the Trust Agreement.

*“Direct Placement Revolving Notes”* means, as applicable, one or more promissory notes issued as a Series of Lease Revenue Obligations pursuant to the provisions of the Trust Agreement evidencing Advances made by a Direct Placement Bank to the Corporation pursuant to a Direct Placement Revolving Credit Agreement.

*“Final Drawing Notice”* has the meaning set forth in the related Credit Facility.

*“Funding Commitment”* means, with respect to an LC Bank, the then available stated amount of its respective Credit Facility plus the principal amount of Advances evidenced by its Revolving Note and, with respect to a Direct Placement Bank, the then available commitment of such Direct Placement Bank under its Direct Placement Revolving Credit Agreement plus the principal amount of Advances evidenced by its Direct Placement Revolving Notes.

*“LC Banks”* means, collectively, the Series A Credit Facility Provider, the Series B Credit Facility Provider, the Series C Credit Facility Provider, and any issuer of a Credit Facility for any Series of Commercial Paper Notes.

*“Maximum Interest Rate”* means 10% per annum.

*“Maximum Principal Amount”* means, as of any date of calculation, the greatest principal amount of indebtedness which, if it bore interest at the Maximum Interest Rate and principal and such interest were payable annually on the first day of each Base Rental Period (commencing on the first day of the first Base Rental Period to commence after the date of calculation), could be fully retired from amounts then payable by the County as Maximum Base Rental (adjusted for any abatement pursuant to the Sublease) during the remaining term of the Sublease.

*“Note”* means any Commercial Paper Note or Revolving Note, and *“Notes”* means the Commercial Paper Notes and the Revolving Notes.

*“Outstanding”* means, when used as of any particular time with respect to any Lease Revenue Obligation, as the context requires, such Lease Revenue Obligations theretofore issued by the Corporation under the Trust Agreement, except: (a) Lease Revenue Obligations theretofore cancelled or delivered to the Issuing and Paying Agent for cancellation and, in all cases, with the intent to extinguish the debt represented thereby; and (b) Lease Revenue Obligations in lieu of, or in substitution for, which other Lease Revenue Obligations have been issued and delivered under the Trust Agreement; and (c) Lease Revenue Obligations with respect to which all liability of the Corporation shall have been discharged in accordance with the defeasance provisions of the Trust Agreement.

*“Outstanding Credit Exposure”* means, as to any Credit Provider at any time, the aggregate principal amount of outstanding Advances evidenced by its Revolving Note or Direct Placement Revolving Notes, as applicable.

*“Pro Rata Share”* means, with respect to a Category of Lease Revenue Obligations, a portion equal to a fraction the numerator of which is the maximum aggregate principal amount of such Category of Lease Revenue Obligations permitted to be Outstanding hereunder and the denominator of which is the Maximum Principal Amount; *provided however*, if the Funding Commitment of a Credit Provider has been terminated in accordance with its Credit Provider Agreement, then the portion of the maximum aggregate principal amount of such Category of Lease Revenue Obligations relating to the Funding Commitment of such Credit Provider shall be based upon such Credit Provider’s Outstanding Credit Exposure at such time.

*“Reimbursement Agreement”* means, collectively, (a) the Series A Reimbursement Agreement, (b) the Series B Reimbursement Agreement, (c) the Series C Reimbursement Agreement, and (d) any reimbursement agreement and related fee letter agreement entered into among the Corporation, the County and any LC Bank in connection with the delivery of any Credit Facility supporting the payment of an Additional Series of Commercial Paper Notes.

*“Required Credit Providers”* means Credit Providers in the aggregate having greater than 50% of the Funding Commitments; *provided, however*, if the Funding Commitment of a Credit Provider has been terminated in accordance with its Credit Provider Agreement, then the Funding Commitment of such Credit Provider shall be based on such Credit Provider’s Outstanding Credit Exposure at such time.

*“Revolving Note”* means, collectively, (a) any Series A Revolving Note, (b) any Series B Revolving Note, (c) any Series C Revolving Note, and (d) any promissory note or promissory notes issued pursuant to the provisions of the Trust Agreement and a Reimbursement Agreement in evidence of Advances made by an LC Bank under a Reimbursement Agreement to support the payment of Commercial Paper Notes of an Additional Series, having the terms and characteristics contained therein and issued in accordance therewith.

*“Series A Credit Facility”* means, initially, that certain irrevocable direct-pay letter of credit (as amended from time to time, the *“Series A Letter of Credit”*) issued by JPMorgan Chase Bank, National Association (the *“Series A Credit Facility Provider”*) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (as amended from time to time, the *“Series A Reimbursement Agreement”*), among the Corporation, the County and the Series A Credit Facility Provider and, upon the issuance of any Alternate Credit Facility, such Alternate Credit Facility.

*“Series B Credit Facility”* means, initially, that certain irrevocable direct-pay letter of credit (as amended from time to time, the *“Series B Letter of Credit”*) issued by U.S. Bank National Association (the *“Series B Credit Facility Provider”*) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (as amended from time to time, the *“Series B Reimbursement Agreement”*), among the Corporation, the County and the Series B Credit Facility Provider and, upon the issuance of any Alternate Credit Facility, such Alternate Credit Facility.

*“Series C Credit Facility”* means, initially, that certain irrevocable direct-pay letter of credit (as amended from time to time, the *“Series C Letter of Credit”*) issued by Wells Fargo Bank, National Association (the *“Series C Credit Facility Provider”*) pursuant to the Letter of

Credit and Reimbursement Agreement, dated as of April 1, 2013 (as amended from time to time, the “*Series C Reimbursement Agreement*”), among the Corporation, the County and the Series C Credit Facility Provider and, upon the issuance of any Alternate Credit Facility, such Alternate Credit Facility.

All capitalized terms herein that are not otherwise defined shall have the meanings agreed thereto in the Trust Agreement, the Sublease, the Site Lease, the applicable Letter of Credit and the related Reimbursement Agreement, as applicable.

### **Limitations on Issuance; Maintenance of Credit Facilities**

Pursuant to the Trust Agreement, the Corporation has covenanted and agreed that it shall not issue any Commercial Paper Notes of a Series with a maturity later than five (5) days prior to the stated expiration or termination date of the related Credit Facility unless the Corporation shall have arranged for an Alternate Credit Facility with respect to such Series pursuant to the provision of the Trust Agreement described below.

Pursuant to the Trust Agreement, the Corporation has covenanted that at all times while Commercial Paper Notes remain outstanding, it will maintain a Credit Facility supporting payment of the Commercial Paper Notes of a Series with an available amount thereunder such that, assuming that all then outstanding Commercial Paper Notes of such Series were to become due and payable immediately thereof, the amount available to be drawn under the applicable Credit Facility would be sufficient to pay the aggregate principal amount of all Commercial Paper Notes of such Series due and payable at the stated maturity thereof plus the aggregate amount of all interest that would become due and payable at the stated maturity thereof; *provided, however*, that the Corporation may in accordance with the terms of each Reimbursement Agreement replace the related Credit Facility upon five days prior written notice to the Dealer or Dealers of such Series, the Trustee and the Issuing and Paying Agent (such notice to the Trustee including a written direction from the Corporation to the Trustee to immediately disseminate notice of the replacement of a Credit Facility to the respective Owners thereof), so long as the replacement of such Credit Facility shall not result in (a) a withdrawal by any Rating Agency of the then-current short-term ratings on the Commercial Paper Notes of such Series; or (b) a downgrade by any Rating Agency of the then-current short-term ratings on the Commercial Paper Notes of such Series; provided, further, that the Corporation may replace the related Credit Facility without compliance with the rating requirement of the preceding proviso if such replacement is made on any date that all Outstanding Commercial Paper Notes of such Series mature or are defeased pursuant to the provisions of the Trust Agreement or are redeemed prior to maturity pursuant to the provisions of the Trust Agreement. Prior to the effective date of an Alternate Credit Facility for Commercial Paper Notes of a Series, the Credit Facility being replaced by such Alternate Credit Facility shall remain in effect until all such Commercial Paper Notes of such Series are paid in full or defeased pursuant to the provisions of the Trust Agreement and the Issuing and Paying Agent shall draw on such Credit Facility being replaced (and not upon any Alternate Credit Facility replacing such Credit Facility then in effect) as needed to pay the principal of and interest on such Commercial Paper Notes of such Series upon the maturity thereof or accrued interest on all then Outstanding Callable Commercial Paper Notes upon redemption prior to maturity, but no such draw shall be required for any of such Commercial Paper Notes of such Series defeased pursuant to the provisions of the Trust

Agreement. No Commercial Paper Note of such Series shall be issued if, immediately after the issuance thereof and the application of any proceeds thereof to reimburse the applicable LC Bank for any Advances made to retire other Commercial Paper Notes of such Series, the aggregate principal amount of all Commercial Paper Notes of such Series due and payable at the stated maturity thereof plus the aggregate amount of all interest that would become due and payable at the stated maturity thereof, would exceed the amount available to be drawn under the Credit Facility supporting such Commercial Paper Notes of such Series. In furtherance of the foregoing covenant, the Corporation has agreed that it will not issue any Commercial Paper Notes of any Series which will result in a violation of such covenant, will not amend any Credit Facility in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for an Alternate Credit Facility prior to, or contemporaneously with, the expiration or termination of such Credit Facility.

### **Issuance and Sale of Commercial Paper Notes**

At any time after the execution of the Trust Agreement, the Corporation may determine to issue a Series of Commercial Paper Notes in accordance with telephonic, facsimile, email or written instructions of a Corporation Representative, substantially in the form attached to the Trust Agreement, delivered to the Issuing and Paying Agent. Said instructions: (a)(i) shall specify such Series, principal amounts, dates of issue, purchase price, maturities, rates of interest and other terms and conditions which are authorized and permitted by the Trust Agreement to be fixed by a Corporation Representative at the time of sale of the Commercial Paper Notes, including, without limitation, a designation, if any, that such Commercial Paper Notes shall be subject to a Call Option and are therefore Callable Commercial Paper Notes; provided that Tax Exempt Governmental Commercial Paper Notes, Tax Exempt 501(c)(3) Commercial Paper Notes and Callable Commercial Paper Notes shall only be issued as interest bearing (and not issued at a discount) and Callable Commercial Paper Notes shall mature on a Business Day not earlier than thirty-eight (38) days following the related date of issue; *provided, however*, that the Corporation may only designate Commercial Paper Notes to be subject to a Call Option only if the applicable Credit Facility is available to pay the accrued interest on such Callable Commercial Paper Notes payable upon redemption prior to maturity; and (ii) shall specify whether such Series or amount of such Series shall be issued as Tax Exempt Governmental Commercial Paper Notes, Tax Exempt 501(c)(3) Commercial Paper Notes or Taxable Commercial Paper Notes; (b) so long as the Corporation uses the book-entry system with respect to the Commercial Paper Notes of such Series, shall include a request to the Issuing and Paying Agent to debit the purchaser's account at the Depository against credit to the Issuing and Paying Agent's account at the Depository which purchase shall then be recorded on the books and records of the Issuing and Paying Agent maintained with respect to each Master Note; (c) if the Corporation is no longer using the book-entry system with respect to the Commercial Paper Notes of such Series, shall include a request that the Issuing and Paying Agent authenticate Commercial Paper Notes of such Series by countersignature of its authorized officer or employee and deliver them to the named purchaser or purchasers thereof upon receipt of payment in accordance with the custom then prevailing in the New York financial market in regard to commercial paper notes, and the rules of the New York Clearinghouse shall apply thereto; (d) shall contain provisions representing that all action on the part of the Corporation necessary for the valid issuance of the Commercial Paper Notes of such Series then to be issued has been taken, that all provisions of California law necessary for the valid issuance of the Commercial

Paper Notes of such Series with provision for interest exemption from California personal income taxation have been complied with and in the event of the issuance of Tax Exempt Governmental Commercial Paper Notes or Tax Exempt 501(c)(3) Commercial Paper Notes of such Series, that all provisions of federal law for the valid issuance of Tax Exempt Governmental Commercial Paper Notes or Tax Exempt 501(c)(3) Commercial Paper Notes of such Series with provision for the exclusion of interest from gross income for federal income tax purposes have been complied with, and that Commercial Paper Notes of such Series in the possession of the Owners thereof will be valid and enforceable obligations of the Corporation according to their terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights theretofore or thereafter enacted; and (e) shall also certify that each of the following conditions has been satisfied:

(i) a Dealer Agreement or Dealer Agreements shall be in full force and effect providing for the remarketing of all the Commercial Paper Notes of such Series Outstanding immediately after such issuance;

(ii) the interest rate on such Commercial Paper Notes of such Series shall not exceed the Maximum Interest Rate;

(iii) a Credit Facility shall be in full force and effect with respect to all such Commercial Paper Notes of such Series Outstanding immediately after such issuance in an amount sufficient to pay the principal amount due and payable at the stated maturity of the Commercial Paper Notes of such Series to be Outstanding and interest accrued or to accrue thereon through the maturity dates thereof and, additionally, for Callable Commercial Paper Notes, a Credit Facility or Credit Facilities shall also permit the Issuing and Paying Agent to draw for the payment of accrued interest on such Callable Commercial Paper Notes upon redemption prior to maturity;

(iv) the sum of the aggregate principal amount of Commercial Paper Notes Outstanding immediately after the issuance of such Commercial Paper Notes of such Series shall not exceed the Pro Rata Share of the Maximum Principal Amount attributable to such Category calculated as of the date of such issuance;

(v) if the issuance of such Commercial Paper Notes of such Series is for a purpose other than refinancing, renewing or refunding Commercial Paper Notes of such Series or Advances with respect to such Series, the Corporation shall have issued to the County as a Debt Service Certificate-Additional Lease Revenue Obligations in the form provided for in the Sublease reflecting the issuance of such Commercial Paper Notes and the County shall have complied with the Sublease;

(vi) the Corporation shall not have received advice from Note Counsel that the interest on such Commercial Paper Notes proposed to be issued may not be exempt from California personal income tax or interest on the Tax Exempt Governmental Commercial Paper Notes or the Tax Exempt 501(c)(3) Commercial Paper Notes may not be excluded from gross income for federal income tax purposes;

(vii) if the issuance of such Tax Exempt 501(c)(3) Commercial Paper Notes of such Series is for the purpose of financing Project Costs of the Tax Exempt 501(c)(3) Projects, (1) the Corporation and the Trustee shall have received an opinion of Note Counsel that the interest on the Tax Exempt 501(c)(3) Commercial Paper Notes of such Series proposed to be issued shall be exempt from California personal income tax and excludable from gross income for federal income tax purposes, (2) such Tax Exempt 501(c)(3) Project is identified in a Notice of Public Hearing and Approval of the County, (3) the Corporation and the County shall have executed and delivered a Tax Certificate and the 501(c)(3) user shall have executed such tax certifications with respect to such Tax Exempt 501(c)(3) Commercial Paper Notes in form and substance satisfactory to Note Counsel, and (4) counsel to the 501(c)(3) user shall have delivered an opinion in form and substance satisfactory to Note Counsel;

(viii) the Issuing and Paying Agent shall not have received a No-Issuance Notice or a Final Drawing Notice from the LC Bank for such Series;

(ix) no Event of Default under the Trust Agreement has occurred and is continuing as of the date of such instructions;

(x) the Corporation has full power and authority to perform its duties and obligations with respect to the Commercial Paper Notes of such Series and the Reimbursement Agreement relating to such Series;

(xi) the Corporation is in compliance with its covenants set forth in the Trust Agreement as of the date of such instructions;

(xii) the principal amount due and payable at the stated maturity of the Commercial Paper Notes of such Series to be Outstanding and interest accrued or to accrue thereon through the maturity dates thereof as of the date of such issuance does not exceed the amount then available to be drawn under the applicable Credit Facility; and

(xii) the accrued interest on Callable Commercial Paper Notes payable upon redemption prior to maturity does not exceed the amount then available to be drawn under the Credit Facility.

With respect to a Series of Commercial Paper Notes issued (x) to refinance, renew or refund Commercial Paper Notes (or to reimburse the related LC Bank therefor), or (y) to pay the Redemption Price of the applicable Series of Callable Commercial Paper Notes, or (z) to pay accrued interest on the applicable Series of Callable Commercial Paper Notes upon redemption prior to maturity (or to reimburse the related LC Bank therefor), unless the Corporation notifies the Dealer and the Issuing and Paying Agent to the contrary in writing, the Corporation authorizes and directs the applicable Dealer to direct the Issuing and Paying Agent to issue a Series of Commercial Paper Notes in an amount equal to the principal of and interest on maturing Commercial Paper Notes or the Redemption Price of the applicable Series of Callable Commercial Paper Notes or accrued interest on the applicable Series of Callable Commercial Paper Notes upon redemption prior to maturity, as applicable, and, if directed by the Corporation, to designate on behalf of the Corporation such Commercial Paper Notes to be subject to a Call Option, and, in connection therewith, to provide the Issuing and Paying Agent



with the necessary information required in clause (a) above; *provided, however*, that the applicable Dealer may only designate on behalf of the Corporation such Commercial Paper Notes to be subject to a Call Option only if the applicable Credit Facility is available to pay the accrued interest on such Callable Commercial Paper Notes payable upon redemption prior to maturity. In such event, the Corporation will be deemed to be in compliance with the requirements of clause (e) above (other than clause (e)(v)) unless the Corporation has given notice to the Issuing and Paying Agent that it is not in compliance with those requirements.

THE COMMERCIAL PAPER NOTES ARE SPECIAL OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR IN THE TRUST AGREEMENT, INCLUDING, WITHOUT LIMITATION, BASE RENTAL PAYMENTS MADE BY THE COUNTY PURSUANT TO THE SUBLEASE AND AMOUNTS HELD BY THE TRUSTEE AND THE ISSUING AND PAYING AGENT IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. THE OBLIGATION OF THE COUNTY TO PAY BASE RENTAL DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, ANY FORM OF TAXATION. NEITHER THE COMMERCIAL PAPER NOTES NOR THE OBLIGATION OF THE COUNTY TO PAY BASE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE OF CALIFORNIA. THE CORPORATION HAS NO TAXING POWER AND NO OBLIGATION TO PAY BASE RENTAL. UNDER CERTAIN CIRCUMSTANCES, BASE RENTAL PAYMENTS MAY BE ABATED UNDER THE SUBLEASE.

### **Redemption of Callable Commercial Paper Notes**

The Series A Tax Exempt Governmental Commercial Paper Notes, the Series A Tax Exempt 501(c)(3) Commercial Paper Notes and the Series A Taxable Commercial Paper Notes are subject to redemption prior to maturity if designated by the Corporation in the written instructions of a Corporation Representative for the issuance of such Series A Tax Exempt Governmental Commercial Paper Notes, the Series A Tax Exempt 501(c)(3) Commercial Paper Notes and the Series A Taxable Commercial Paper Notes, as applicable, pursuant to the Trust Agreement or, if directed by the Corporation, designated by a Dealer on behalf of the Corporation, to be subject to a Call Option and therefore Callable Commercial Paper Notes. Subject to rescission as described below, Callable Commercial Paper Notes shall be subject to redemption prior to maturity solely with respect to all (but not part) of a maturity of Commercial Paper Notes designated by its own separate CUSIP Number and only during the related Call Exercise Period, at the Redemption Price thereof on the designated Redemption Date.

*Definitions.* The following terms have the definitions set forth below:

“Call Exercise Period” means, with respect to any Callable Commercial Paper Notes, the period commencing on and including the 35th day immediately preceding the maturity date of such Callable Commercial Paper Notes through and including the Business Day immediately preceding such maturity date.

“Call Option” with respect to any Callable Commercial Paper Notes, shall mean the right of the Corporation to redeem such Callable Commercial Paper Notes prior to maturity, in whole but not in part, on the Redemption Date at the Redemption Price of such Callable Commercial Paper Notes.

“Call Option Exercise Notice” with respect to any Callable Commercial Paper Notes, shall mean a written notice given by or on behalf of the Corporation to the Issuing and Paying Agent on any Business Day at least two (2) Business Days but not more than ten (10) Business Days prior to the designated Redemption Date described therein, of the Corporation’s election to exercise the Call Option with respect to such Callable Commercial Paper Notes.

“Callable Commercial Paper Notes” means Commercial Paper Notes designated by the Corporation in written instructions of a Corporation Representative pursuant to the Trust Agreement or designated by a Dealer on behalf of the Corporation pursuant to the Trust Agreement, to be subject to a Call Option by the Corporation pursuant to the redemption provisions of the Trust Agreement.

“Electronic Notice” means notice transmitted through a time-sharing terminal, by facsimile transmission, by email or by telephone (promptly confirmed in writing or by facsimile transmission), or, with respect to notices to the Depository, a written notice transmitted electronically by email to the email address provided by the Depository in accordance with the DTC Operational Arrangements, as amended from time to time, or the operational arrangements of any successor Depository.

“EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System, or any successor thereto.

“Failed Remarketing” means, with respect to any Callable Commercial Paper Notes for which a Call Option Exercise Notice has been given by or on behalf of the Corporation, the failure of the applicable Dealer to find purchasers for new Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed, in accordance with the terms of the applicable Dealer Agreement, the Trust Agreement and any direction from the Corporation for all Callable Commercial Paper Notes subject to redemption on the designated Redemption Date as described in the related Redemption Notice and to provide notice to the Issuing and Paying Agent of the relevant issuance terms thereof, by 1:00 P.M. on the Business Day immediately preceding such designated Redemption Date.

“Failed Settlement” means, with respect to any Callable Commercial Paper Notes for which a Call Option Exercise Notice has been given by or on behalf of the Corporation, moneys sufficient to pay the Redemption Price of such Callable Commercial Paper Notes subject to redemption are not on deposit with the Issuing and Paying Agent by 12:30 P.M. on such designated Redemption Date.

“Preliminary Call Option Exercise Notice” with respect to any Callable Commercial Paper Notes, shall mean a written notice, given by or on behalf of the Corporation to the Issuing

and Paying Agent on any Business Day at least three (3) Business Days but not more than eleven (11) Business Days prior to the designated Redemption Date described therein, of the Corporation's intention to deliver or cause the applicable Dealer to deliver a Call Option Exercise Notice to the Issuing and Paying Agent not later than 11:00 A.M. on the second Business Day prior to the designated Redemption Date described therein.

"Redemption Date" with respect to any Callable Commercial Paper Notes, shall mean the Business Day designated as the Redemption Date in the Call Option Exercise Notice, which Redemption Date shall occur during the related Call Exercise Period and be at least two (2) Business Days but not more than ten (10) Business Days following the date of the Issuing and Paying Agent's receipt of the related Call Option Exercise Notice from or on behalf of the Corporation with respect to such Callable Commercial Paper Notes.

"Redemption Price" with respect to any Callable Commercial Paper Notes, shall mean a redemption price equal to the principal amount of such Callable Commercial Paper Notes.

Unless otherwise expressly stated, all times referred to below shall be New York City time.

*Preliminary Call Option Exercise Notice; Call Option Exercise Notice.* In order to exercise its right to cause a redemption prior to maturity of any Callable Commercial Paper Notes during the related Call Exercise Period, the Corporation, at its option, shall (i) deliver or cause the applicable Dealer to deliver a Preliminary Call Option Exercise Notice to the Issuing and Paying Agent by Electronic Notice not later than 11:00 A.M. on the third Business Day immediately preceding the designated Redemption Date described in such Preliminary Call Option Exercise Notice and thereafter, (ii) deliver or cause the applicable Dealer to deliver a Call Option Exercise Notice to the Issuing and Paying Agent by Electronic Notice not later than 11:00 A.M. on the second Business Day immediately preceding such designated Redemption Date. The Call Option Exercise Notice shall specify the designated Redemption Date, the principal amount of the Callable Commercial Paper Notes proposed to be redeemed, the CUSIP Number for such Callable Commercial Paper Notes and the Redemption Price of such Callable Commercial Paper Notes on such designated Redemption Date and shall state that upon a Failed Remarketing or a Failed Settlement, the proposed redemption shall be rescinded for that Redemption Date, the Owners shall retain ownership of such Callable Commercial Paper Notes, and all such Callable Commercial Paper Notes shall remain subject to redemption prior to maturity on any subsequently designated Redemption Date (which is a Business Day remaining in the related Call Exercise Period) pursuant to a subsequently delivered Redemption Notice.

The Corporation will incur a surcharge under the related Reimbursement Agreement whenever any Callable Commercial Paper Notes are not successfully redeemed prior to maturity for each day during the period commencing thirty (30) days immediately preceding the date such Callable Commercial Paper Notes are scheduled to mature to but excluding the earlier of (x) the date such Callable Commercial Paper Notes are redeemed in full and (y) the maturity date of such Callable Commercial Paper Notes. To avoid such surcharge, the Corporation anticipates entering into a standing order with the applicable Dealers (the "Standing Order"), subject to certain conditions, to facilitate a redemption on the earliest possible Business Day within each Call Exercise Period. The Standing Order will be revocable at any time by the Corporation, and

the Corporation or the applicable Dealer on behalf of the Corporation will be under no obligation to direct any redemption within the Call Exercise Period.

*Redemption Notice.*

If the Issuing and Paying Agent receives the Preliminary Call Option Exercise Notice not later than 12:00 P.M. on the third Business Day immediately preceding the designated Redemption Date described therein, upon the Issuing and Paying Agent's timely receipt of the related Call Option Exercise Notice, the Issuing and Paying Agent shall provide Electronic Notice to the Depository and the related LC Bank of the related Redemption Notice, not later than 12:00 P.M. on the same Business Day that the Call Option Exercise Notice is timely received by the Issuing and Paying Agent by or on behalf of the Corporation. If the Issuing and Paying Agent receives the Preliminary Call Option Exercise Notice after 12:00 P.M. on the third Business Day immediately preceding such designated Redemption Date, upon the Issuing and Paying Agent's timely receipt of the related Call Option Exercise Notice, the Issuing and Paying Agent shall use its best efforts to provide Electronic Notice to the Depository and the related LC Bank of the related Redemption Notice not later than 12:00 P.M. on the same Business Day the Issuing and Paying Agent receives the related Call Option Exercise Notice, but shall, in any event, provide such Electronic Notice to the Depository and the related LC Bank of the related Redemption Notice not later than 4:00 P.M. on such Business Day. The Issuing and Paying Agent shall provide evidence to the Corporation and the applicable Dealer that the Depository has received such Redemption Notice.

The Issuing and Paying Agent shall use its best efforts to file, or cause to be filed, such Redemption Notice with EMMA by 4:30 P.M. on the Business Day that the Issuing and Paying Agent receives the Call Option Exercise Notice, or, if the Issuing and Paying Agent is unable to file, or cause to be filed, such Redemption Notice with EMMA by such time, the Issuing and Paying Agent shall file, or cause to be filed, such Redemption Notice with EMMA as soon as practicable thereafter.

Each Redemption Notice shall state (1) the designated Redemption Date and the Redemption Price and accrued interest on the applicable Callable Commercial Paper Notes payable upon such redemption prior to maturity and the maturity date and CUSIP Number of the Callable Commercial Paper Notes to be redeemed, (2) that such Callable Commercial Paper Notes must be presented for delivery to the Issuing and Paying Agent not later than 12:30 P.M. on the Redemption Date for such Callable Commercial Paper Notes and that any such Callable Commercial Paper Notes not so presented for delivery as required shall be deemed to have been so presented and, upon provision for payment of the Redemption Price thereof from the funds specified in the following paragraph and accrued interest thereon, shall be deemed to have been redeemed on the Redemption Date, after which the Owner thereof shall have no further rights with respect thereto or hereunder except the right to receive the Redemption Price thereof and accrued interest on the applicable Callable Commercial Paper Notes upon such redemption prior to maturity upon presentation and surrender of said Callable Commercial Paper Notes to the Issuing and Paying Agent and that all Callable Commercial Paper Notes subject to such redemption shall be redeemed on the Redemption Date at the Redemption Price thereof; (3) from and after the Redemption Date, if the Redemption Notice shall have been duly given and funds available for the Redemption Price thereof and accrued interest thereon shall have been duly

provided, no interest shall accrue on such Callable Commercial Paper Notes from and after the Redemption Date; (4) the Redemption Price thereof shall be payable to the Owner thereof in accordance with the procedures set forth herein, solely from the following sources in the following order of priority: (x) to the extent amounts sufficient to pay such Redemption Price have been deposited in the applicable Refunding Proceeds Redemption Price Subaccount of the Commercial Paper Notes Payment Account from the proceeds of any long-term bonds or certificates of participation fixed to maturity issued to pay such Redemption Price to such Owner on the Redemption Date, from such proceeds on deposit in the applicable Refunding Proceeds Redemption Price Subaccount of the Commercial Paper Notes Payment Account; and (y) the proceeds of the sale of any Commercial Paper Notes; and (5) upon a Failed Remarketing or a Failed Settlement, the proposed redemption shall be rescinded for that Redemption Date, the Owners shall retain ownership of such Callable Commercial Paper Notes, and all such Callable Commercial Paper Notes shall remain subject to redemption prior to maturity on any subsequently designated Redemption Date (which is a Business Day remaining in the related Call Exercise Period) pursuant to a subsequently delivered Redemption Notice. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the applicable Callable Commercial Paper Notes or the cessation of the accrual of interest thereon from and after the Redemption Date.

*Redemption Procedure.*

Subject to rescission as described below, upon delivery of a Call Option Exercise Notice by or on behalf of the Corporation to the Issuing and Paying Agent, the Callable Commercial Paper Notes will be subject to redemption prior to maturity, in whole, but not in part, on the designated Redemption Date described in such Call Option Exercise Notice at the Redemption Price thereof. Unless otherwise instructed by the Corporation, the applicable Dealer shall use its best efforts to sell new Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed and shall provide the Corporation and the County with any other information as required for delivery of such Callable Commercial Paper Notes (or Commercial Paper Notes that are not subject to a Call Option, as applicable) pursuant to the applicable Dealer Agreement; provided however that, so long as a Credit Facility or Credit Facilities remains in effect with respect to the Callable Commercial Paper Notes, the applicable Dealer shall not offer for sale or sell any new Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed, to the Corporation. Any such purchase of new Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed, or secondary transactions related thereto, shall be on a when issued basis.

The Redemption Price of such Callable Commercial Paper Notes shall be payable to the Owners thereof in accordance with the following procedures, but solely from the sources in the order of priority described under the subcaption “-Priority of Payment of Tax Exempt/Taxable Notes.” The Issuing and Paying Agent shall make payment of the Redemption Price of such

Callable Commercial Paper Notes and accrued interest on the applicable Callable Commercial Paper Notes upon such redemption prior to maturity to the Owner thereof upon surrender for redemption thereof by such Owner to the Issuing and Paying Agent (for the account of the Corporation).

Following the delivery of a Redemption Notice with respect to any Callable Commercial Paper Notes, the Owner thereof shall present such Callable Commercial Paper Notes for delivery to the Issuing and Paying Agent (for the account of the Corporation) through the Depository not later than 12:30 P.M. on the Redemption Date for such Callable Commercial Paper Notes. If such Callable Commercial Paper Notes are timely presented for delivery by the Owner thereof as described above, the Corporation will cause the Issuing and Paying Agent to pay the Redemption Price of and accrued interest on the applicable Callable Commercial Paper Notes upon such redemption prior to maturity to such Owner on the Redemption Date in lawful money of the United States of America in immediately available funds or in such manner as such Owner and the Issuing and Paying Agent shall agree. Any Callable Commercial Paper Notes not so timely presented for delivery shall be deemed to have been redeemed on the Redemption Date from the funds specified above, after which the Owner thereof shall have no further rights with respect thereto or hereunder except the right to receive the Redemption Price of and accrued interest on the applicable Callable Commercial Paper Notes upon such redemption prior to maturity upon presentation and surrender of said Callable Commercial Paper Notes to the Issuing and Paying Agent. From and after the Redemption Date, if the Redemption Notice shall have been duly given and funds available for the Redemption Price of such Callable Commercial Paper Notes shall have been duly provided, no interest shall accrue on such Callable Commercial Paper Notes from and after the Redemption Date. All Callable Commercial Paper Notes so redeemed shall be cancelled and shall not be re-delivered.

*Rescission.*

Anything herein to the contrary notwithstanding, upon the occurrence of a Failed Remarketing or a Failed Settlement, with regards to any Callable Commercial Paper Notes for which a Redemption Notice has been given, the proposed redemption of such Callable Commercial Paper Notes shall be rescinded.

Upon the occurrence of a Failed Remarketing, the applicable Dealer shall notify the Issuing and Paying Agent of such Failed Remarketing by 1:00 P.M. on the Business Day immediately preceding the designated Redemption Date for such Callable Commercial Paper Notes. Upon the Issuing and Paying Agent's receipt of such notice of a Failed Remarketing, the Issuing and Paying Agent shall cause the rescission of the proposed redemption of such Callable Commercial Paper Notes by providing Electronic Notice of the rescission of the proposed redemption to the Depository not later than 2:00 P.M. on the same date of the Issuing and Paying Agent's timely receipt of such notice of a Failed Remarketing and the Issuing and Paying Agent shall use its best efforts to confirm receipt of such rescission notice by the Depository.

If the Issuing and Paying Agent fails to receive a notice of a Failed Remarketing by 1:00 P.M. on the Business Day immediately preceding the designated Redemption Date for such Callable Commercial Paper Notes, and the Issuing and Paying Agent also fails to receive notice from the applicable Dealer pursuant to the applicable Dealer Agreement of the relevant issuance

terms of the new Callable Commercial Paper Notes (or if directed by the Corporation, new Commercial Paper Notes that are not subject to a Call Option), the proceeds of which will be used to pay the Redemption Price of the existing Callable Commercial Paper Notes proposed to be redeemed, by 1:00 P.M. on the Business Day immediately preceding the designated Redemption Date for such Callable Commercial Paper Notes, the Issuing and Paying Agent shall cause the rescission of the proposed redemption of such Callable Commercial Paper Notes by providing Electronic Notice of the rescission of the proposed redemption to the Depository not later than 2:00 P.M. on the Business Day immediately preceding the designated Redemption Date for such Callable Commercial Paper Notes and the Issuing and Paying Agent shall use its best efforts to confirm receipt of such rescission notice by the Depository. The Issuing and Paying Agent shall also use its best efforts to file any such rescission notice with EMMA by 4:30 P.M. on the same date of the Issuing and Paying Agent's timely receipt of such rescission notice.

Upon the occurrence of a Failed Settlement, the Issuing and Paying Agent shall cause the rescission of the proposed redemption of such Callable Commercial Paper Notes by providing Electronic Notice of the rescission of such proposed redemption to the Depository not later than 1:00 P.M. on the designated Redemption Date for such Callable Commercial Paper Notes and the Issuing and Paying Agent shall confirm the Depository's receipt of such rescission notice by 3:00 P.M. on such designated Redemption Date. The Issuing and Paying Agent shall also use its best efforts to file such rescission notice with EMMA by 4:30 P.M. on such designated Redemption Date.

Upon any rescission of a proposed redemption of Callable Commercial Paper Notes, any Callable Commercial Paper Notes theretofore delivered to the Issuing and Paying Agent shall be returned to the respective Owners thereof. For the avoidance of doubt, any Callable Commercial Paper Notes for which a proposed redemption has been rescinded shall continue to be subject to redemption prior to maturity at the Redemption Price thereof on a subsequently designated Redemption Date (which is a Business Day remaining in the related Call Exercise Period) pursuant to a subsequently delivered Redemption Notice.

Upon delivery of the notices described above, any proposed redemption may be rescinded and the Owners of the Callable Commercial Paper Notes for which a proposed redemption has been rescinded will not be entitled to the payment of the Redemption Price of such Callable Commercial Paper Notes nor accrued interest on such Callable Commercial Paper Notes upon the designated Redemption Date. Owners of such Callable Commercial Paper Notes would only receive notice of rescission of such proposed redemption from the Depository or the filing with EMMA on the designated Redemption Date and may not have sufficient time to make alternative investment arrangements upon such rescission. Certain adverse market conditions may increase the likelihood of a Failed Remarketing or a Failed Settlement. Prospective investors should carefully consider the possibility of rescission of any proposed redemption of Callable Commercial Paper Notes in its investment decision.

Any Callable Commercial Paper Notes for which a proposed redemption has been rescinded shall continue to be subject to redemption prior to maturity at the Redemption Price thereof on a subsequently designated Redemption Date (which is a Business Day remaining in the related Call Exercise Period) pursuant to a subsequently delivered Redemption Notice. Upon any Failed Remarketing or Failed Settlement, as applicable, of any Callable Commercial Paper

Notes subject to redemption for any subsequently designated Redemption Date, if any, during the remaining related Call Exercise Period, the subsequently designated redemption shall be rescinded in the same manner as described above.

### **Priority of Moneys to Pay Commercial Paper Notes**

Payment of principal and interest on any Series of Commercial Paper Notes at maturity will be derived only from the following sources in the following order of priority: (i) with respect to the Series A Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Series A Credit Facility; with respect to the Series B Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Series B Credit Facility; with respect to the Series C Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Series C Credit Facility; and with respect to an Additional Series of Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Credit Facility supporting payment of such Additional Series of Commercial Paper Notes; (ii) the proceeds of the sale of any Commercial Paper Notes; and (iii) Revenues derived from Pledged Property available for such purpose.

Payment of accrued interest on any Callable Commercial Paper Notes upon redemption prior to maturity on the Redemption Date will be derived solely from the following sources in the following order of priority: (i) with respect to the Series A Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Series A Credit Facility; with respect to the Series B Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Series B Credit Facility; with respect to the Series C Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Series C Credit Facility; and with respect to an Additional Series of Commercial Paper Notes, moneys drawn by the Issuing and Paying Agent under the Credit Facility supporting payment of such Additional Series of Commercial Paper Notes; (ii) the proceeds of the sale of any Commercial Paper Notes; and (iii) Revenues derived from Pledged Property available for such purpose.

Payment of the Redemption Price of any Callable Commercial Paper Notes on the Redemption Date will be derived solely from the following sources in the following order of priority: (i) to the extent amounts sufficient to pay such Redemption Price have been deposited in the applicable Refunding Proceeds Redemption Price Subaccount of the Commercial Paper Notes Payment Account from the proceeds of any long-term bonds or certificates of participation fixed to maturity issued to pay such Redemption Price to such Owner on the Redemption Date, from such proceeds on deposit in the applicable Refunding Proceeds Redemption Price Subaccount of the Commercial Paper Notes Payment Account; and (ii) the proceeds of the sale of any Commercial Paper Notes. The payment of the Redemption Price is not supported by any Credit Facility.

### **Defeasance**

If, when all or any portion of the Commercial Paper Notes shall have become due and payable in accordance with their terms or otherwise as provided in the Trust Agreement, the entire principal and interest so due and payable upon said Commercial Paper Notes shall be paid, or if at or prior to the date said Commercial Paper Notes have become due and payable,



sufficient moneys or noncallable, nonprepayable, direct obligations of, or obligations guaranteed by, the United States of America, the principal of and interest on which will provide sufficient moneys for such payment, as verified by a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay said Commercial Paper Notes in full on the dates that principal of and interest on said Commercial Paper Notes is due, shall be held in trust by the Trustee or the Corporation and provision shall also be made for paying all other sums payable under the Trust Agreement by the Trustee or the Corporation with respect to said Commercial Paper Notes, the pledge created in the Trust Agreement with respect to said Commercial Paper Notes shall thereupon cease, terminate and become discharged and said Commercial Paper Notes shall no longer be deemed Outstanding for purposes of the Trust Agreement and all the provisions of the Trust Agreement, including all covenants, agreements, liens and pledges made therein, shall be deemed duly discharged, satisfied and released with respect to said Commercial Paper Notes.

### **Authorization of Additional Series of Commercial Paper Notes**

At any time after the execution of the Trust Agreement, the Corporation may authorize the issuance of an Additional Series of Commercial Paper Notes and Revolving Notes upon the execution by the Corporation and the Trustee of a Supplemental Trust Agreement providing for the authorization of such Additional Series, provided, that the Corporation shall deliver to the Trustee and the Issuing and Paying Agent each of the following:

(a) An executed copy of the Supplemental Trust Agreement that provides: (i) the terms of such Series of Commercial Paper Notes; and (ii) that Commercial Paper Notes of such Series shall (A) not mature on a day that is not a Business Day, (B) not have a term in excess of two hundred seventy (270) days, (C) not have a maturity date less than five days prior to the expiration or termination of the Credit Facility supporting payment of such Series unless the Corporation shall have arranged for an Alternate Credit Facility pursuant to the Trust Agreement supporting payment of such Series of Commercial Paper Notes, and (D) not bear interest at a rate in excess of the Maximum Interest Rate;

(b) A Credit Facility to support the payment of such Additional Series of Commercial Paper Notes;

(c) An executed copy or copies of a Dealer Agreement or Dealer Agreements providing for the marketing of the Commercial Paper Notes of such Series;

(d) A written legal opinion from Note Counsel to the effect that the Commercial Paper Notes of such Series are valid and binding obligations of the Corporation and, with respect to Tax Exempt Governmental Commercial Paper Notes or Tax Exempt 501(c)(3) Commercial Paper Notes of such Additional Series, are obligations the interest on which is excludable from gross income of the Owners thereof for federal income tax purposes;

(e) An executed copy of an Issuing and Paying Agent Agreement between the Corporation and the Issuing and Paying Agent with respect to such Series of Commercial Paper Notes;

(f) A certificate of an Authorized Representative of the Corporation certifying to the following: (i) no Event of Default under the Trust Agreement shall have occurred and is continuing as of such date; (ii) the Corporation has full power and authority to perform its duties and obligations with respect to the Commercial Paper Notes of such Additional Series and the Reimbursement Agreement or other Credit Facility for the Additional Series; and (iii) the Corporation is in compliance with its covenants set forth in the Trust Agreement as of such date; and

(g) The prior written consent of 100% of the Credit Providers.

### **BOOK-ENTRY SYSTEM**

*The information concerning DTC and DTC's book entry system has been obtained from DTC and the Corporation takes no responsibility for the completeness or accuracy thereof. The Corporation cannot and does not give any assurances that DTC, Direct Participants (as defined herein) or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (as defined herein) (a) payments of principal or interest with respect to the Commercial Paper Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Commercial Paper Notes or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Commercial Paper Notes, or that they will so do on a timely basis, or that DTC, Direct Participants or Indirect Participants will act in the manner described herein. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC acts as securities depository for the Commercial Paper Notes. The Commercial Paper Notes are issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate is issued for each maturity of the Commercial Paper Notes, each in the aggregate principal amount of such maturity, and is deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed

Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which receive a credit for the Commercial Paper Notes on DTC’s records. The ownership interest of each actual purchaser of each Commercial Paper Note (“*Beneficial Owner*”) is in turn recorded on the Direct and Indirect Participants’ records. Beneficial Owners do not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Commercial Paper Notes are accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Commercial Paper Notes, such as defaults and proposed amendments to the Commercial Paper Note documents. For example, Beneficial Owners of the Commercial Paper Notes may wish to ascertain that the nominee holding the Commercial Paper Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Payments of principal of and interest on the Commercial Paper Notes must be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and

corresponding detail information from the Corporation or the Issuing and Paying Agent, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and are the responsibility of such Participant and not of DTC (nor its nominee), the Issuing and Paying Agent or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the Commercial Paper Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Issuing and Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

None of the Corporation, the Dealers, the Issuing and Paying Agent or any LC Bank can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of and interest on the Commercial Paper Notes paid to DTC or its nominee, as the registered Owner, or any notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Offering Memorandum.

DTC may discontinue providing its services as depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the Corporation or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Commercial Paper Note certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Commercial Paper Note certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and DTC's book-entry system has been obtained from sources the Corporation believes to be reliable but the Corporation takes no responsibility for the accuracy thereof.

## THE LETTERS OF CREDIT

*The following are summaries of certain provisions of the Letters of Credit and the Reimbursement Agreements. The following summaries do not purport to be full and complete statements of the provisions of each Letter of Credit or each Reimbursement Agreement, which documents should be read in full for a complete understanding of all the terms and provisions thereof. Copies of each Letter of Credit and the corresponding Reimbursement Agreement (in their current form) may be obtained from the Corporation or the County.*

### **The Letters of Credit**

The following is a summary of certain provisions of the Letters of Credit. This summary is not to be considered a full statement of the terms of each Letter of Credit and accordingly is qualified by reference thereto and is subject to the full text thereof.

At the request and for the account of the Corporation and the County, the Series A Credit Facility Provider has issued the Series A Letter of Credit in favor of the Issuing and Paying Agent in the current stated amount as of April 1, 2015 equal to \$[153,695,631], which may be drawn upon from time to time in respect of the principal amount due and payable at the stated maturity of the Callable Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, including accrued interest on the Callable Commercial Paper Notes upon redemption prior to maturity, as set forth in the Series A Letter of Credit, *provided, however*, that in no event shall the Series A Letter of Credit be drawn upon to pay the Redemption Price of the Callable Commercial Paper Notes. At the request and for the account of the Corporation and the County, the Series B Credit Facility Provider has issued the Series B Letter of Credit in favor of the Issuing and Paying Agent in the current stated amount as of April 1, 2015 equal to \$[102,465,754], which may be drawn upon from time to time in respect of the principal amount due and payable at the stated maturity of the Series B Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, as set forth in the Series B Letter of Credit. At the request and for the account of the Corporation and the County, the Series C Credit Facility Provider has issued the Series C Letter of Credit in favor of the Issuing and Paying Agent in the current stated amount as of April 1, 2015 equal to \$[204,931,507], which may be drawn upon from time to time in respect of the principal amount due and payable at the stated maturity of the Series C Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, as set forth in the Series C Letter of Credit. Each LC Bank will seek reimbursement for payments made pursuant to drawings under its Letter of Credit only after such payments have been made.

The Corporation and the County may request an LC Bank to reduce the stated amount of the applicable Credit Facility from time to time prior to the applicable Letter of Credit Expiration Date to an amount not less than the sum of the face value of all discount Commercial Paper Notes of such Series and the principal amount of all outstanding non-discount Commercial Paper Notes of such Series plus interest thereon at the rates then effect through the maturity dates thereof.

Under the Trust Agreement, the Issuing and Paying Agent may not cause the issuance of Commercial Paper Notes unless the Corporation has certified to the Issuing and Paying Agent

that the amount available to be drawn under the applicable Credit Facility will, upon the issuance of such Commercial Paper Notes, be in an amount sufficient to pay the principal of all outstanding Commercial Paper Notes and interest thereon at the rates then in effect, with respect to the Commercial Paper Notes through the maturity dates thereof.

Each Credit Facility shall terminate at 2:00 P.M. Los Angeles time (4:00 P.M. Chicago time on April 18, 2016 in regards to the Series A Credit Facility) upon the date (the “Termination Date”) which is the earliest of (i) April 18, 2016; *provided, however*, that if such date is not a Business Day (as such term is defined in the related Credit Facility), the Letter of Credit Expiration Date shall be the next preceding Business Day (the “Letter of Credit Expiration Date”), (ii) the later of the date on which the related LC Bank receives a specified written notice from the Issuing and Paying Agent that an Alternate Credit Facility has been substituted for the related Credit Facility in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility (after the related LC Bank has honored any properly presented and conforming Drawing, if any, on such date), (iii) the date on which the related LC Bank receives a specified written notice from the Issuing and Paying Agent that there are no longer any Commercial Paper Notes Outstanding (as defined in the related Reimbursement Agreement) within the meaning of the Trust Agreement and that the Issuing and Paying Agent elects to terminate such Credit Facility, or (iv) the earlier of (a) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives the Final Drawing Notice from the related LC Bank, and (b) the date on which the Drawing resulting from the Final Drawing Notice is honored under the related Credit Facility. The Letter of Credit Expiration Date of each Credit Facility may be extended as provided in the related Reimbursement Agreement.

### **The Reimbursement Agreements**

*General.* The Corporation, the County and each LC Bank have entered into a separate Reimbursement Agreement, pursuant to which each Credit Facility was issued. Among other things, each Reimbursement Agreement provides for, without limitation, (a) the repayment to the related LC Bank of all draws made under the applicable Credit Facility, together with specified interest thereon; (b) the payment or reimbursement to such LC Bank of certain specified fees, costs and expenses; (c) affirmative and negative covenants to be observed on the part of the Corporation and the County; and (d) certain indemnification obligations on the part of the Corporation and the County.

As used herein, “*Material County Debt*” means any Debt (as defined in the related Reimbursement Agreement) of the County that is outstanding in a principal amount of \$50,000,000 or more.

As used herein, “*Rating Agency*” means Moody’s, Fitch or S&P.

As used herein, “*Related Documents*” means the Trust Agreement, the related fee letter agreement, the related Letter of Credit, the related Reimbursement Agreement, the Commercial Paper Notes of the related Series, the related Revolving Note, the Issuing and Paying Agent Agreement, the Site Lease, the Sublease and the Dealer Agreements, as the same may be

amended, modified or supplemented in accordance with their terms and the terms of the related Reimbursement Agreement.

As used herein, “*Revolving Note*” means the Corporation’s revolving note issued to the Bank pursuant to the related Reimbursement Agreement, to evidence the indebtedness of the Corporation due and owing to the related LC Bank under the related Reimbursement Agreement with respect to amounts drawn on the related Letter of Credit.

*Events of Default.* The occurrence of any of the following events shall be an “Event of Default” under the related Reimbursement Agreement:

(a) The Corporation or the County shall fail to pay (i) any Reimbursement Obligation (as defined in the related Reimbursement Agreement) or interest thereon as and when due under the applicable Reimbursement Agreement, subject to the terms of such Reimbursement Agreement, or (ii) any other Obligation (as defined in the related Reimbursement Agreement) as and when due under the related Reimbursement Agreement or under the related Fee Letter (as defined in the related Reimbursement Agreement) and the continuation of such failure for a period of 30 days after written notice thereof;

(b) The Corporation or the County shall default in the performance of certain covenants set forth in the related Reimbursement Agreement;

(c) The Corporation or the County shall default in the performance of any other material term, covenant or agreement set forth in the related Reimbursement Agreement or in the related Fee Letter and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the County, as related, by the related LC Bank; provided that a failure by the Corporation in the performance of certain covenants in the Series A Reimbursement Agreement relating to Callable Commercial Paper Notes shall not constitute an Event of Default under the Series A Reimbursement Agreement;

(d) Any representation, warranty, certification or material statement made by the Corporation or the County (or incorporated by reference) in the related Reimbursement Agreement or by the Corporation or the County in any other Related Document or in any certificate, financial statement or other document delivered pursuant to the related Reimbursement Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The County shall (A) fail to make any payment on any Material County Debt (other than the Commercial Paper Notes of the related Series) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the later of (1) three calendar days following the due date for such payment or (2) the applicable grace period, if any, specified in the agreement or instrument relating to such Material County Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material County Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, but only if such failure shall have

resulted in the acceleration of the maturity of such Material County Debt; or (C) any Material County Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; *provided, however*, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default under the related Reimbursement Agreement if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material County Debt;

(f) The Corporation or the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against the Corporation or the County under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the County, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of the related Reimbursement Agreement, the Fee Letter or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the County, or the Corporation or the County shall contest the validity or enforceability thereof;

(i) Any pledge or security interest created under the related Reimbursement Agreement or under the Trust Agreement to secure any amounts due under the related Reimbursement Agreement or the Fee Letter shall fail to be valid or fully enforceable;

(j) An event of default shall occur under any of the Related Documents (other than the related Reimbursement Agreement) or the County shall fail to make any payment under the Sublease when and as due;

(k) The long-term unenhanced rating by Moody's, Fitch or S&P on any Lease Obligation Debt (as defined in the related Reimbursement Agreement) of the County shall be



withdrawn, suspended or otherwise unavailable for credit related reasons or reduced below “Baa3” (or its equivalent), “BBB-”(or its equivalent) or “BBB-” (or its equivalent), respectively;

(l) One or more final, nonappealable judgments or orders for the payment of money in the aggregate amount of \$50,000,000 or more shall be rendered against the County and such judgment or order shall continue unsatisfied and unstayed for a period of ninety (90) days; or

(m) Any “*Event of Default*” as defined in any of the Other Bank Agreements (as defined in the related Reimbursement Agreement) shall have occurred.

*LC Bank Remedies upon an Event of Default.* If any Event of Default under the related Reimbursement Agreement shall have occurred and be continuing, the related LC Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) issue a notice to the Issuing and Paying Agent to not issue any additional Commercial Paper Notes of the applicable Series (a “*No-Issuance Notice*”) unless and until such No-Issuance Notice is rescinded, (ii) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15<sup>th</sup> day after the date of receipt thereof by the Issuing and Paying Agent; (iii) declare the related Revolving Note, in whole or in part, and all or some Principal Advances (as defined in the related Reimbursement Agreement) and Term Loans (as defined in related Reimbursement Agreements), as well as any other Obligation, and all interest thereon to be a Default Advance (as defined in the related Reimbursement Agreement) under the related Reimbursement Agreement due and payable in the manner set forth in and subject to the related Reimbursement Agreement, or (iv) deliver a written notice to the Trustee and the Corporation that an Event of Default has occurred and is continuing and direct the Trustee to take such other remedial action as is provided for in the Trust Agreement, or (v) take any other action permitted by equity or law.

Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default under the related Reimbursement Agreement of the type described in paragraph (f) or (g) under the subcaption “-Events of Default” above, the remedies described in the foregoing clause (iii) above shall occur immediately and automatically without notice or further action on the part of the related LC Bank or any other person and the remedies described in the foregoing clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article 2 of the related Reimbursement Agreement the contrary notwithstanding, from and after the occurrence of an Event of Default under the related Reimbursement Agreement, all Reimbursement Obligations shall bear interest at the Default Rate (as defined in the related Reimbursement Agreement). Upon any action by the related LC Bank as contemplated in the foregoing clauses (i) and (ii) above, the Stated Amount (as defined in the related Letter of Credit) of the related Letter of Credit shall be permanently reduced upon, and by the amount of, each Drawing (as defined in the related Letter of Credit) under the related Letter of Credit following the occurrence of an Event of Default under the related Reimbursement Agreement. Notwithstanding the foregoing, the occurrence of an Event of Default under the related Reimbursement Agreement shall not affect the related LC Bank’s obligation under the related Letter of Credit with respect to Commercial Paper Notes of the related Series that are outstanding at the time of the occurrence of such Event of Default under the related Reimbursement Agreement, and the Issuing and Paying Agent shall continue to have the right to draw under such Letter of Credit to pay the principal of and accrued interest on

maturing Commercial Paper Notes of the related Series that are outstanding at the time of the occurrence of such Event of Default under the related Reimbursement Agreement.

Nothing contained under the subcaption “-LC Bank Remedies upon an Event of Default” shall result in, or be construed to require, an acceleration of Base Rental under the Sublease and nothing contained under the subcaption “-LC Bank Remedies upon an Event of Default” is intended to abrogate abatement of Base Rental made in accordance with the terms of the Sublease. Nothing contained under the subcaption “-LC Bank Remedies upon an Event of Default” shall abrogate the obligation of the related LC Bank to honor properly presented and conforming Drawings under the related Letter of Credit prior to the termination of the related Letter of Credit in accordance with its terms.

## **THE LETTER OF CREDIT BANKS**

*The following information concerning the LC Banks has been provided by representatives of each LC Bank and has not been independently confirmed or verified by the Dealers, the Corporation or the County. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.*

### **JPMorgan Chase Bank, National Association**

[JPMorgan Chase Bank, National Association (“JPMC”) is a wholly owned subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPMC offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of December 31st, 2012, JPMorgan Chase Bank, National Association, had total assets of \$1,896.8 billion, total net loans of \$608.7 billion, total deposits of \$1,246.3 billion, and total stockholder’s equity of \$146.3 billion. These figures are extracted from JPMC’s unaudited Consolidated Reports of Condition and Income (the “Call Report”) as of December 31st, 2012, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at [www.fdic.gov](http://www.fdic.gov).

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2011, of JPMorgan Chase & Co., the 2011 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the “SEC”) by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Offering Memorandum is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC’s website at [www.sec.gov](http://www.sec.gov).]

The information contained under this subheading relates to and has been obtained from JPMC. The delivery of this Offering Memorandum shall not create any implication that there has been no change in the affairs of JPMC since the date hereof, or that the information contained or referred to under this subheading is correct as of any time subsequent to its date.

### **U.S. Bank National Association**

[U.S. Bank National Association (“*USBNA*”) is a national banking association organized under the laws of the United States and is the largest subsidiary of U.S. Bancorp. At December 31, 2012, USBNA reported total assets of \$345 billion, total deposits of \$254 billion and total shareholders’ equity of \$40 billion. The foregoing financial information regarding USBNA has been derived from and is qualified in its entirety by the unaudited financial information contained in the Federal Financial Institutions Examination Council report Form 031, Consolidated Report of Condition and Income for a Bank with Domestic and Foreign Offices (“*Call Report*”), for the quarter ended December 31, 2012. The publicly available portions of the quarterly Call Reports with respect to USBNA are on file with, and available upon request from, the FDIC, 550 17th Street, NW, Washington, D.C. 20429 or by calling the FDIC at (877) 275-3342. The FDIC also maintains an Internet website at [www.fdic.gov](http://www.fdic.gov) that contains reports and certain other information regarding depository institutions such as USBNA. Reports and other information about USBNA are available to the public at the offices of the Comptroller of the Currency at One Financial Place, Suite 2700, 440 South LaSalle Street, Chicago, IL 60605.

U.S. Bancorp is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the “*SEC*”). U.S. Bancorp is not guaranteeing the obligations of USBNA and is not otherwise liable for the obligations of USBNA.

Except for the contents under this subheading, USBNA and U.S. Bancorp assume no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.]

### **Wells Fargo Bank, National Association**

[Wells Fargo Bank, National Association (“*Wells*”) is a national banking association organized under the laws of the United States of America with its main office at 101 North Phillips Avenue, Sioux Falls, South Dakota 57104, and engages in retail, commercial and corporate banking, real estate lending and trust and investment services. Wells is an indirect, wholly-owned subsidiary of Wells Fargo & Company (“*Wells Fargo*”), a diversified financial services company, a financial holding company and a bank holding company registered under the Bank Holding Company Act of 1956, as amended, with its principal executive offices located in San Francisco, California.

Wells prepares and files Call Reports on a quarterly basis. Each Call Report consists of a balance sheet as of the report date, an income statement for the year-to-date period to which the report relates and supporting schedules. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. While

the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about Wells, the reports nevertheless provide important information concerning Wells' financial condition and results of operations. Wells Call Reports are on file with, and are publicly available upon written request to the FDIC, 550 17th Street, N.W., Washington, D.C. 20429, Attention: Division of Insurance and Research. The FDIC also maintains an internet website that contains the Call Reports. The address of the FDIC's website is <http://www.fdic.gov>. Wells Call Reports are also available upon written request to the Wells Fargo Corporate Secretary's Office, Wells Fargo Center, MAC N9305-173, 90 South 7th Street, Minneapolis, MN 55479.

The Series C Letter of Credit will be solely an obligation of Wells and will not be an obligation of, or otherwise guaranteed by, Wells Fargo & Company, and no assets of Wells Fargo & Company or any affiliate of Wells or Wells Fargo & Company will be pledged to the payment thereof. Payment of the Series C Letter of Credit will not be insured by the FDIC.

The information contained in this section, including financial information, relates to and has been obtained from Wells, and is furnished solely to provide limited introductory information regarding Wells and does not purport to be comprehensive. Any financial information provided in this section is qualified in its entirety by the detailed information appearing in the Call Reports referenced above. The delivery hereof shall not create any implication that there has been no change in the affairs of Wells since the date hereof.]

## **SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES**

### **Letters of Credit**

The principal amount due and payable at the stated maturity of the Callable Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, including accrued interest on the Callable Commercial Paper Notes upon redemption prior to maturity, but not the redemption price thereof, is supported by amounts available under the Series A Letter of Credit issued by the Series A Credit Facility Provider in the current stated amount as of April 1, 2015 equal to \$[153,698,631]. The Series A Letter of Credit terminates on April 18, 2016, or such later date to which the Series A Letter of Credit shall have been extended, or such earlier date as set forth in the Series A Letter of Credit, unless the Corporation shall have arranged for an Alternate Credit Facility. The Series A Credit Facility Provider is not obligated to extend the stated termination date of the Letter of Credit. See "THE LETTERS OF CREDIT-The Reimbursement Agreements." See also "RISK FACTORS-Expiration of Initial Letters of Credit."

The principal amount due and payable at the stated maturity of the Series B Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, is supported by amounts available under the Series B Letter of Credit issued by the Series B Credit Facility Provider in the current stated amount as of April 1, 2015 equal to \$[102,465,754]. The Series B Letter of Credit terminates on April 18, 2016, or such later date to which the Series B Letter of Credit shall have been extended, or such earlier date as set forth in the Series B Letter of Credit, unless the Corporation shall have arranged for an Alternate Credit Facility. The Series B Credit Facility Provider is not obligated to extend the stated termination date of the

Letter of Credit. See “THE LETTERS OF CREDIT-The Reimbursement Agreements.” See also “RISK FACTORS-Expiration of Initial Letters of Credit.”

The principal amount due and payable at the stated maturity of the Series C Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof, is supported by amounts available under the Series C Letter of Credit issued by the Series C Credit Facility Provider in the current stated amount as of April 1, 2015 equal to \$[204,931,507]. The Series C Letter of Credit terminates on April 18, 2016, or such later date to which the Series C Letter of Credit shall have been extended, or such earlier date as set forth in the Series C Letter of Credit, unless the Corporation shall have arranged for an Alternate Credit Facility. The Series C Credit Facility Provider is not obligated to extend the stated termination date of the Letter of Credit. See “THE LETTERS OF CREDIT-The Reimbursement Agreements.” See also “RISK FACTORS-Expiration of Initial Letters of Credit.”

**The investment decision to purchase a Series of Commercial Paper Notes should be made solely on the basis of the creditworthiness of the LC Bank that has issued the Letter of Credit from which will be paid all such principal of and interest on such Series of Commercial Paper Notes, rather than the County.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay such principal of and interest on such Series of Commercial Paper Notes. If, for any reason, an LC Bank fails to make a payment due under its Letter of Credit, the principal of and interest on such Series of Commercial Paper Notes may not be paid when due, and the County would have no obligation to make any payments with respect to such Series of Commercial Paper Notes apart from the County’s obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to each Series of Commercial Paper Notes are based on the creditworthiness of the LC Bank that has issued the applicable Letter of Credit. See “RATINGS” herein.

### **Pledged Property; Assignment**

Pursuant to the Trust Agreement, to secure the payment of all of the Lease Revenue Obligations at any time issued and Outstanding under the Trust Agreement and the interest thereon according to their tenor, purport and effect, to secure the obligations of the Corporation to the Credit Providers under each Credit Provider Agreement and the secure the performance and observance of all of the covenants, agreements and conditions contained in the Credit Provider Agreements, the Trust Agreement, the Site Lease and the Sublease, the Corporation has pledged and assigned to the Trustee, in the trust created by the Trust Agreement for the benefit of the Owners and the Credit Providers, all its right, title and interest in and to: (i) the Site Lease; (ii) the Sublease (except for its right to payment of expenses of the Corporation under the Sublease, its right to indemnification under the Sublease and its right to receive certain notices under the Sublease), including the right to enforce remedies under the Sublease and all revenues, issues, income, rents, royalties, profits and receipts derived or to be derived by the Corporation from or attributable to the Sublease of the Property to the County including all revenues attributable to the Sublease of the Property or to the payment of the costs thereof received or to be received by the Corporation under the Sublease or any part thereof or any contractual arrangement with respect to the use of the Property including the payment of Base Rental thereunder; (iii) the proceeds of any insurance, including the proceeds of any self-insurance

covering loss relating to the Property; (iv) all amounts on hand from time to time in the funds and accounts established under the Trust Agreement (other than the Excess Earnings Account and the Excess Earnings Account of the Earnings Fund), provided that the proceeds of the sale of a Series of Commercial Paper Notes on deposit in any such fund or account shall not secure any other Series of Lease Revenue Obligations and the proceeds of any drawing or payment under a Credit Facility for a Series or any Advance under a Direct Placement Revolving Credit Agreement of a Series shall not secure any other Series of Lease Revenue Obligations; (v) all proceeds of rental interruption insurance policies carried with respect to the Property pursuant to the Sublease or in accordance with the Trust Agreement; and (vi) any additional moneys or amounts that may from time to time, by delivery or by writing of any kind, be subjected to the lien of the Trust Agreement by the Corporation or by anyone on its behalf, subject only to the provisions of the Trust Agreement, the Site Lease and the Sublease (clauses (i), (ii), (iii), (iv), (v) and (vi) of this sentence, collectively, the “*Pledged Property*”).

The Corporation has covenanted in the Trust Agreement that all Base Rental and any proceeds of any rental interruption insurance when and as received shall be received by the Corporation in trust under the Trust Agreement for the benefit of the Owners and the LC Bank (as more particularly set forth in the pledge clause of the Trust Agreement) and shall be deposited when and as received by the Corporation in the applicable Base Rental Account and transferred to the Commercial Paper Notes Base Rental Subaccount and the Direct Placement Revolving Notes Base Rental Subaccount to the extent necessary for the immediate payment of interest payments past due and then for immediate payment of principal payments past due according to the tenor of the related Lease Revenue Obligations plus amounts sufficient to pay the principal of and accrued interest on the related Lease Revenue Obligations due and payable for the applicable Base Rental Period. To the extent the amount of Base Rental and proceeds of rental interruption insurance with respect to any Property (if any) received by the Trustee is insufficient to make the transfers described in the preceding sentence, such amounts shall be transferred to such subaccounts on a Pro Rata Basis. “*Pro Rata Basis*” means, as between Categories of Lease Revenue Obligations, pro rata among Categories based on the aggregate principal amount of such Category of Lease Revenue Obligations Outstanding at such time (and, for Revolving Notes and Direct Placement Revolving Notes, based on the aggregate principal amount of outstanding Advances evidenced by such Revolving Notes or Direct Placement Revolving Notes, as applicable) and, as between Series of a Category of Lease Revenue Obligations, pro rata among Series based on the aggregate principal amount of such Series of a Category of Lease Revenue Obligations Outstanding at such time (and, for Revolving Notes and Direct Placement Revolving Notes, based on the aggregate principal amount of outstanding Advances evidenced by such Series of Revolving Notes or Direct Placement Revolving Notes, as applicable). Any delinquent Base Rental payments and any proceeds of rental interruption insurance with respect to the Property shall be deposited in the Base Rental Account and transferred to the Commercial Paper Notes Base Rental Subaccount and the Direct Placement Revolving Notes Base Rental Subaccount on a Pro Rata Basis. Any remaining money representing delinquent Base Rental payments and any proceeds of rental interruption insurance, after transfers of amounts on deposit in the Commercial Paper Notes Base Rental Subaccount to the Issuing and Paying Agent and amounts on deposit in the Direct Placement Revolving Notes Base Rental Subaccount to the Direct Placement Revolving Notes Payment Account, shall remain on deposit in the Base Rental Account to be applied in the manner provided in this provision.

All Pledged Property shall be accounted for and applied in accordance with the Trust Agreement, and the Corporation shall have no beneficial right or interest in any of the Pledged Property except as provided in the Trust Agreement. All Pledged Property, whether received by the Corporation in trust or deposited with the Trustee as provided in the Trust Agreement, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses set forth therein, and shall be accounted for separately and apart from all other accounts, funds, moneys or other resources of the Corporation.

The Lease Revenue Obligations are special limited obligations of the Corporation and principal thereof and interest thereon are payable solely from the Pledged Property as provided in the Trust Agreement, and the Corporation is not obligated to pay such principal or interest except from the Pledged Property.

### **Sublease; Term**

The County leases certain land, including improvements located thereon, as more particularly described in the Sublease (collectively, the “*Property*”), to the Corporation pursuant to a Second Amended and Restated Site Lease, dated as of April 1, 2013, by and between the Corporation and the County, as amended by the First Amendment to Second Amended and Restated Site Lease, dated as of April 1, 2015, by and between the Corporation and the County (as so amended and as it may be further amended or supplemented from time to time, the “*Site Lease*”). The County subleases the Property from the Corporation pursuant to the Sublease.

Subject to the next succeeding paragraph, with respect to each Component, the term of the Sublease with respect to such Component began on the date on which the Sublease is filed for recording in the official records of Los Angeles County and ends on the earliest of: (a) the date set forth with respect to such Component in the base rental payment schedule attached to the Sublease as an exhibit (and in the case of any Property which is added or substituted for a Component pursuant to the provisions of the Sublease and of the Trust Agreement, the date set forth in the base rental payment schedule attached to the Sublease as an exhibit with respect to such additional or substituted Component), (b) the date all Base Rental related to such Component is paid in full, (c) the date of termination of the Sublease with respect to such Component due to casualty or condemnation in accordance with the terms of the Sublease, or (d) the date of release of such Component in accordance with the terms of the Sublease and of the Trust Agreement.

Notwithstanding anything to the contrary contained in the Sublease, if there shall remain outstanding any obligations payable to a Credit Provider under a Credit Provider Agreement or any Credit Provider Agreement remains in effect or any Credit Facility or Direct Placement Revolving Credit Agreement remains in effect, the term of the Sublease with respect to each Component subject to the Sublease at such time shall be extended until such date as no Credit Facility or Direct Placement Revolving Credit Agreement or Credit Provider Agreement remains in effect and all such obligations payable to such Credit Provider have been satisfied; *provided, however*, in no event shall the term of the Sublease with respect to any Component exceed the maximum useful life of such Component. During such extension of the term of the Sublease, the County shall pay Base Rental in amount sufficient to satisfy such obligations to such Credit Provider in full; *provided, however*, that the Base Rental with respect to any Component during

any Base Rental Period shall not exceed the fair rental value with respect to such Component during such Base Rental Period.

### **Base Rental Payments**

Pursuant to the Sublease, the County agrees to pay to the Corporation Base Rental (in an amount up to the Maximum Base Rental) and the Additional Rental, with respect to each Component, as provided in the Sublease, for the use, occupancy and possession of the Property for which such Maximum Base Rental is payable, all on the terms and conditions set forth in the Sublease. The County shall be obligated to pay the Minimum Required Rental Payment in advance, and any Minimum Supplemental Rental Payment and Additional Rental, on the terms, in the amounts, and at the times and in the manner hereinafter set forth.

Subject to the Sublease Term, the table set forth in Appendix B attached hereto sets forth the Maximum Base Rental with respect to each Component for each Base Rental Period. Maximum Base Rental shall become due and payable annually in advance on each Base Rental Payment Date during the Sublease Term. Pursuant to the Sublease, the County agrees to pay, from legally available funds, the aggregate Maximum Base Rental for all Components for each Base Rental Period on the respective Base Rental Payment Date subject to reduction pursuant to the terms of the Sublease if the Minimum Required Rental Payment for a Base Rental Period is less than the aggregate Maximum Base Rental for all Components for such Base Rental Period.

If the Minimum Required Rental Payment for a Base Rental Period is less than the aggregate Maximum Base Rental for all Components for such Base Rental Period, the County may deposit with the Trustee such Minimum Required Rental Payment. Any Base Rental and Additional Rental shall be paid on the terms, in the amounts, at the times and in the manner set forth in the Sublease. The County will make payments of Base Rental directly to the Trustee for deposit into the Base Rental Account for transfer to the Commercial Paper Notes Base Rental Subaccount and the Direct Placement Revolving Notes Base Rental Subaccount as set forth in the Trust Agreement and, to the extent not otherwise paid to the Person to whom any amount constituting Additional Rental is owing, will make payment of Additional Rental to the Issuing and Paying Agent for deposit into the Administrative Expense Account. The amount by which the aggregate Maximum Base Rental for any Base Rental Period exceeds the amount so deposited in such Base Rental Period shall continue to be an obligation of the County for such Base Rental Period and shall be payable by the County if and to the extent that payment is required pursuant to the Sublease.

If a Minimum Supplemental Rental Payment is required, the County shall promptly pay such Minimum Supplemental Rental Payment, except as provided in the following sentence. The County shall not be required to pay that portion of a Minimum Supplemental Rental Payment solely arising from or relating to existing or additional Commercial Paper Notes for which the Corporation shall have issued its Commercial Paper Notes to provide funds in an amount not less than such portion of such Minimum Supplemental Rental Payment and the proceeds of the Commercial Paper Notes shall have been deposited into the related Commercial Paper Note Proceeds Subaccount of the Commercial Paper Notes Payment Account.



Under no circumstances shall the County be required to pay during any Base Rental Period amounts exclusive of Additional Rental in excess of aggregate Maximum Base Rental for such Base Rental Period.

In addition to the Minimum Required Rental Payments and any Minimum Supplemental Rental Payments set forth in the Sublease, the County agrees to pay as Additional Rental all of the following: (i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon any Component or upon any interest of the Corporation, the Trustee or the Owners therein or in the Sublease, including taxes and charges contemplated by the Sublease; (ii) all costs of maintenance, operation, repair and replacement of the Property as required under the Sublease; (iii) insurance premiums, if any, on all insurance required under the provisions of the Sublease; (iv) all fees, costs and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Commercial Paper Notes or the proceeds of an Advance under a Direct Placement Revolving Credit Agreement) of the Trustee and the Issuing and Paying Agent in connection with the Trust Agreement; (v) all commitment fees and other amounts payable to each Credit Provider under its respective Credit Provider Agreement; (vi) amounts owed to the United States as rebatable arbitrage pursuant to the Trust Agreement to the extent amounts available in the appropriate subaccounts of the Excess Earnings Account and the Investment Earnings Account are insufficient therefor; and (vii) any other fees, costs or expenses incurred by the Corporation, the Trustee and the Issuing and Paying Agent in connection with the execution, performance or enforcement of the Sublease or any assignment thereof or of the Trust Agreement or any of the transactions contemplated thereby or related to the Property. Amounts constituting Additional Rental payable under the Sublease shall be paid by the County directly to the person or persons to whom such amounts shall be payable. Any amounts on deposit in the Administrative Expense Account not needed to pay expenses of the Corporation or the County incidental to the execution and delivery of the Lease Revenue Obligations may be transferred to the Base Rental Account from time to time pursuant to a written request of a County Representative.

The Minimum Required Rental Payments and any Minimum Supplemental Rental Payments and Additional Rental for each Base Rental Period or portion thereof during the Sublease Term shall constitute the total rental for such Base Rental Period or portion thereof and shall be payable by the County for and in consideration for the use and possession, and the continued quiet use and enjoyment, of the Property by the County for and during such Base Rental Period or portion thereof. The parties to the Sublease have agreed and determined that the Rental Payments payable in respect of any Component during each such Base Rental Period are not in excess of the total fair rental value of such Component for such Base Rental Period. In making such determination, consideration has been given to the uses and purposes served by each such Component and the benefits therefrom that will accrue to the parties by reason of the Sublease and to the general public by reason of the County's use of each such Component.

The County has covenanted in the Sublease to include all Minimum Required Rental Payments, Additional Rental and Minimum Supplemental Rental Payments due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments, Additional Rental and Minimum Supplemental Rental Payments, subject to the abatement provisions of the Sublease.

The covenants on the part of the County contained in the Sublease shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the County who bears direct or indirect responsibility for administering the Sublease to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the County to carry out and perform the covenants and agreements on the part of the County contained in the Sublease. The obligation of the County to make Rental Payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Notwithstanding anything to the contrary contained in the Sublease, neither the Lease Revenue Obligations nor the obligation of the County to make Rental Payments or Additional Rental payments constitutes an indebtedness of the County within the meaning of any constitutional or statutory debt limitation or restriction.

As used in this Offering Memorandum, “Rental Payments” means all Minimum Required Rental Payments, Minimum Supplemental Rental Payments and Additional Rental payable under the Sublease, and “Base Rental” means all Minimum Required Rental Payments and Minimum Supplemental Rental Payments, but does not include Additional Rental.

The Sublease is intended to be a triple net lease. The County agrees that the rentals provided for in the Sublease shall be an absolute net return to the Corporation free and clear of any expenses, charges or set-offs whatsoever.

### **Rental Abatement**

Except to the extent of (a) available amounts held by the Issuing and Paying Agent in the applicable Base Rental Account and the Direct Placement Revolving Note Payment Subaccount of the Lease Revenue Obligation Payment Fund, and available amounts held by the Issuing and Paying Agent in the Commercial Paper Notes Payment Account or the Bank Reimbursement Account of the Issuing and Paying Agent Fund, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the County for payments in respect of the Sublease or to the Issuing and Paying Agent for payments in respect of the Lease Revenue Obligations, Rental Payments due under the Sublease are subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the County. The amount of annual rental abatement shall be such that the resulting Base Rental in respect of the Property in any Base Rental Period during which such interference continues, excluding any amounts described in clauses (a), (b) or (c) above, do not exceed the fair rental value of the Property for such Base Rental Period with respect to which there has not been substantial interference, as evidenced by a certificate of a County Representative. Such abatement shall continue for the period commencing with the date of such damage, destruction, condemnation or discovery of such title defect and ending with the restoration of the affected Component to tenantable condition or correction of the title defect. In the event of any such damage, destruction, condemnation or title defect, the Sublease shall continue in full force and effect, except as set forth in the provisions of the Sublease with respect to application of insurance proceeds or eminent domain.

## **Assignment and Sublease; Addition, Substitution or Release of Property; Additions and Improvements; Removal**

*Assignment and Sublease.* The County shall not mortgage, pledge, assign or transfer any interest of the County in the Sublease by voluntary act or by operation of law, or otherwise; *provided, however,* that the County may sublease all Property or any Component thereof, may grant concessions to others involving the use of the Property or any Component, whether such concessions purport to convey a leasehold interest or a license to use such Property or Component; *provided, further, however,* that such sublease or grant shall be subject to the terms of the Sublease and of the Trust Agreement. Subject to the limitations set forth in the Sublease and in the Trust Agreement, the County shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under the Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing contained in the Sublease shall be construed to relieve the County of its obligation to pay Base Rental and Additional Rental with respect to each Component as provided in the Sublease or to relieve the County of any other obligations contained in the Sublease. In no event shall the County sublease to or permit the use of all or any part of any Component by any person so as to cause interest on the Tax Exempt Lease Revenue Obligations to be includable in gross income for federal income tax purposes or to be subject to State personal income tax.

The Corporation shall pledge and assign all of its right, title and interest in and to the Sublease (except for its right to payment of its expenses thereunder, its right to indemnification pursuant thereto and its right to receive certain notices thereunder), including without limitation its right to receive Base Rental payable thereunder and to enforce its remedies thereunder, to the Trustee pursuant to the Trust Agreement, and the County has approved such pledge and assignment. The parties to the Sublease have agreed to execute any and all documents necessary and proper in connection therewith.

*Addition, Substitution or Release of Property.* Notwithstanding the provision of the Sublease described under “-Assignment and Sublease” above, if no default or event of default has occurred and is continuing under the Sublease or under any Credit Provider Agreement, the County may acquire from the Corporation, free and clear of the Corporation’s rights under the Sublease and the Site Lease, the release or substitution of any Component, subject to the requirements set forth in the Trust Agreement with respect to amendments to the Sublease and Site Lease, or the County may add a component or other property to the Sublease and the Site Lease, subject to the requirements set forth in the Trust Agreement with respect to amendments to the Sublease and Site Lease.

*Additions and Improvements; Removal.* The County shall have the right during the Sublease Term to make any additions or improvements to any Component, to attach fixtures, structures or signs, and to affix any personal property to any Component, so long as the fair rental value of the Component is not thereby reduced. Title to all fixtures, equipment or personal property placed by the County on any Component shall remain in the County. Title to any personal property, improvements or fixtures placed on any Component by any sublessee or licensee of the County shall be controlled by the sublease or license agreement between such sublessee or licensee and the County, which sublease or license agreement shall not be inconsistent with the Sublease.

## **Amendments to Trust Agreement; Amendments to Site Lease, Sublease and Assignment Agreement**

*Amendments to Trust Agreement.* The Trust Agreement and the rights and obligations of the Corporation and of the Owners of the Lease Revenue Obligations may be modified or amended at any time by a Supplemental Trust Agreement, which shall become binding upon execution by the parties to the Trust Agreement, without consent of any Lease Revenue Obligation Owner and to the extent permitted by law, but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Corporation in the Trust Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers reserved therein to or conferred upon the Corporation so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Lease Revenue Obligations; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Trust Agreement, or in any other respect whatsoever as the Corporation may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Lease Revenue Obligations; or

(c) to amend any provision of the Trust Agreement relating to the Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on any of the Tax Exempt Lease Revenue Obligations under the Code, in the opinion of nationally recognized Note Counsel; or

(d) to amend any provision of the Trust Agreement relating to the authorization of the issuance of one or more Additional Series of Commercial Paper Notes pursuant to the Trust Agreement or Additional Series of Direct Placement Revolving Notes pursuant to the Trust Agreement (other than conditions precedent to such issuance requiring the consent of the Credit Providers); or

(e) to amend any provision agreed to by the Corporation and the Trustee, so long as such amendment does not materially adversely affect the interests of the Owners of Lease Revenue Obligations.

Except as set forth in the preceding paragraph, the Trust Agreement and the rights and obligations of the Corporation and of the Owners of the Lease Revenue Obligations may only be modified, amended or supplemented by a Supplemental Trust Agreement, which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Lease Revenue Obligations then Outstanding filed with the Trustee; *provided* that if such modification, amendment or supplement will, by its terms, not take effect so long as any Lease Revenue Obligations of any particular maturity remain Outstanding, the consent of the Owner of such shall not be required and such Lease Revenue Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Lease Revenue Obligations Outstanding under this provision.

Anything in the Trust Agreement to the contrary notwithstanding, no such modification, amendment or supplement shall (i) extend the maturity of or reduce the interest rate on any Lease Revenue Obligation or otherwise alter or impair the obligation of the Corporation to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Lease Revenue Obligation without the express written consent of the Owner thereof, (ii) reduce the percentage of Lease Revenue Obligations required for the written consent to any such amendment or modification, (iii) modify any of the rights or obligations of the Trustee without its prior written consent thereto, or (iv) adversely affect the rights, interests, security or remedies of any Credit Provider without its prior written consent thereto.

So long as it has not failed to honor a properly presented and conforming drawing under the related Credit Facility, each LC Bank shall be deemed to be the Owner of Commercial Paper Notes of the Series for which it has issued a Credit Facility to support payment of such Series for the purpose of the provision of consents or any other action under the provisions of the Trust Agreement relating to amendments; *provided, however*, that no LC Bank shall be deemed to be the Owner of Commercial Paper Notes for the purposes of consenting to a modification or amendment that extends the maturity of or reduces the interest rate on any Commercial Paper Note or otherwise alters or impairs the obligation of the Corporation to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Commercial Paper Note without the express written consent of the Owner of such Commercial Paper Note.

From and after the time any Supplemental Trust Agreement becomes effective pursuant to the Trust Agreement, the Trust Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties thereto and all Owners of Outstanding Lease Revenue Obligations, as the case may be, shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Trust Agreement shall be deemed to be part of the terms and conditions of the Trust Agreement for any and all purposes.

The provisions described above shall not prevent any Owner from accepting any amendment as to the particular Lease Revenue Obligation held by him, provided that due notation thereof is made on such Lease Revenue Obligation.

*Amendments to Site Lease and Sublease.*

(a) The Site Lease and the Sublease may be amended in writing by agreement between the parties thereto as long as such amendment shall not (i) have a material adverse effect upon the Owners of Lease Revenue Obligations then Outstanding or (ii) adversely affect the rights, interests, security or remedies of any Credit Provider without the prior written consent of such Credit Provider; *provided* that if such amendment will, by its terms, not take effect so long as any Lease Revenue Obligations of any particular maturity remain Outstanding, clause (i) above need not be complied with and such Lease Revenue Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Lease Revenue Obligations Outstanding under this provision. The Site Lease and the Sublease may also be amended in writing by agreement between the parties thereto with the prior written consent of the Trustee and each Credit Provider to substitute other real property and/or improvements (the “*Substituted Property*”) for existing

Property or to remove real property or improvements from the definition of Property upon compliance with all of the conditions set forth in subsection (b) below. After a substitution or removal, the part of the Property for which the substitution or removal has been effected shall be released from the leasehold under the Site Lease and the Sublease. The County may amend the Sublease and the Site Lease to add real property and/or improvements (the “Additional Property”) upon compliance with all of the conditions set forth in subsection (c) below.

(b) In addition to the requirements and conditions provided in subsection (a) above, no substitution or removal of Property shall occur until the County delivers to the Corporation, the Trustee and each Credit Provider the following:

(i) A written description of all or part of the Property to be released and, in the event of a substitution, a legal description of the Substituted Property to be substituted in its place;

(ii) A Certificate of the County (A) stating that the annual fair market rental value of the Property after such substitution or removal, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental set forth in an amended Exhibit B to the Sublease giving effect to such substitution or removal, as determined by the County on the basis of an appraisal of the Property after said substitution or removal conducted by a qualified employee of the County; (B) showing that the aggregate principal amount of Lease Revenue Obligations Outstanding is less than or equal to the Maximum Principal Amount (as modified after giving effect to such substitution or removal and the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease); (C) demonstrating that the useful life of the Property after substitution or removal equals or exceeds the remaining term of the Sublease after giving effect to the modifications to Exhibit B to the Sublease resulting from such substitution or removal; and (D) stating that the Property remaining after such substitution or removal is as essential to the operations of the County as was the Property immediately prior to such substitution or removal;

(iii) An opinion of Note Counsel to the effect that the amendments to the Sublease and to the Site Lease contemplating substitution or removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the County and the Corporation enforceable in accordance with their terms;

(iv) (A) In the event of a substitution, a title insurance policy in an amount such that the total title insurance on the Property in favor of the Trustee is not less than the sum of the amount of Outstanding Lease Revenue Obligations and amounts payable to the Credit Providers under the Credit Provider Agreements insuring the County’s leasehold interest in the substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances and such other encumbrances as would be permitted by the Sublease, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Owners of the Lease Revenue Obligations and (B) in the event of a partial removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(v) An opinion of Note Counsel that the substitution or removal does not cause the interest on the Tax Exempt Lease Revenue Obligations to be includable in gross income of the Owners thereof for federal income tax purposes;

(vi) Evidence that the County has complied with the insurance covenants contained in the Sublease with respect to the Substituted Property; and

(vii) Evidence that the substitution or removal, in and of itself, has not or will not cause a downgrade or withdrawal of the then existing credit ratings on the Commercial Paper Notes.

(c) In addition to the requirements and conditions provided in subsection (a) above, no addition of Property shall occur until the County delivers to the Corporation, the Trustee and each Credit Provider the following:

(i) Executed amendments or supplements to the Site Lease and the Sublease setting forth, among other things, a written, legal description of the Additional Property, the term of the Site Lease and Sublease for the Additional Property, and, in the case of the Sublease, a schedule setting forth the Base Rental for the Additional Property;

(ii) An opinion of Note Counsel to the effect that the amendments or supplements to the Sublease and to the Site Lease contemplating the addition of Additional Property have been duly authorized, executed and delivered and constitute the valid and binding obligations of the County and the Corporation enforceable in accordance with their terms;

(iii) An opinion of Note Counsel that the addition of Additional Property does not cause the interest on the Tax Exempt Lease Revenue Obligations to be includable in gross income of the Owners thereof for federal income tax purposes; and

(iv) Evidence that the County has complied with the insurance covenants contained in the Sublease with respect to the Additional Property.

#### **Default by County under Sublease**

*Default by County.* If the County shall fail to pay to the Trustee any Rental Payment with respect to any Component as and when the same shall become due and payable, or shall breach any other terms, covenants or conditions contained in the Sublease or in the Trust Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 60 days after written notice thereof from the Corporation, or its assignee, to the County, or, if such breach cannot be remedied within such 60-day period, shall fail to institute corrective action within such 60-day period and diligently pursue the same to completion, then and in any such event the County shall be deemed to be in default under the Sublease.

*Remedies on Default by Corporation.* Upon a failure or breach as described under “-Default by County” above, the Corporation or its assignee shall have the right, at its option, without any further demand or notice: (a) to reenter any Component and eject all parties in possession therefrom and, without terminating the Sublease, relet the Component as the agent and for the account of the County upon such terms and conditions as the Corporation may deem advisable, in which event the rents received on such reletting shall be applied first to the expenses of reletting and collection, including expenses for repair or restoration of the Component to its original condition (taking into account normal wear and tear), reasonable attorneys’ fees and any real estate commissions actually paid, and second to Base Rental with

respect to such Component in accordance with the Sublease and the Trust Agreement and third to Additional Rental with respect to such Component in accordance with the Sublease; *provided*, that if a sufficient sum shall not be realized to pay such sums and other charges then the County shall pay to the Corporation any net deficiency existing on the date when the Base Rental or Additional Rental with respect to such Component is due under the Sublease; *provided, however*, that such reentry and reletting shall be done only with the consent of the County, which consent is hereby irrevocably given; or (b) in lieu of the above, so long as the Corporation or its assignee does not terminate the Sublease or the County's possession of any Component, to enforce all of its rights and remedies under the Sublease, including the right to recover Base Rental payments as they become due under the Sublease pursuant to Section 1951.4 of the California Civil Code and to otherwise enforce performance by the County, and to pursue any remedy available in law or in equity, except as expressly provided in the Sublease. Any reentry pursuant to this provision shall be allowed by the County without hindrance, and neither the Corporation nor its assignee shall be liable in damages for any reentry or be guilty of trespass. Notwithstanding any other provision of the Sublease or the Trust Agreement, in no event shall the Corporation or its assignee have the right to accelerate the payment of any Base Rental with respect to the Property under the Sublease.

Each and every remedy of the Corporation or any assignee of the rights of the Corporation under the Sublease is cumulative and the exercise of one remedy shall not impair the right of the Corporation or its assignee to any or all other remedies. If any statute or rule of law validly shall limit the remedies given to the Corporation or any assignee of the rights of the Corporation or its assignee under the Sublease, the Corporation or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

All damages and other payments received by the Corporation pursuant to this provision of the Sublease shall be applied in the manner set forth in the Trust Agreement.

*Default by Corporation.* The failure of the Corporation to observe and perform any covenants, agreements or conditions on its part in the Sublease contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Corporation and the Trustee, by the County, shall constitute a Corporation Event of Default under the Sublease; *provided, however*, that if in the reasonable opinion of the Corporation the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute a Corporation Event of Default if corrective action is instituted by the Corporation within such 60 day period and the Corporation shall diligently and in good faith cure such failure in a reasonable period of time. In each and every case upon the occurrence and during the continuance of a Corporation Event of Default by the Corporation under the Sublease, the County shall have all the rights and remedies permitted by law.

*Waiver.* The waiver by the Corporation or its assignee of any breach by the County, and the waiver by the County of any breach by the Corporation of any term, covenant or condition of the Sublease shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition of the Sublease.



## Events of Default under Trust Agreement

*Events of Default under Trust Agreement.* The following shall be “Events of Default” under the Trust Agreement and the terms “Events of Default” and “default” shall mean, whenever they are used in the Trust Agreement, any one or more of the following events:

(a) If default shall be made in the due and punctual payment of principal and interest on any Lease Revenue Obligation when and as the same shall become due and payable.

(b) An event of default shall have occurred under the Sublease.

(c) Failure by the Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Trust Agreement, the Sublease, and the Site Lease, other than such failure as may constitute an Event of Default under clause (a) above, for a period of 120 days after written notice specifying such failure and requesting that it be remedied has been given to the Corporation by the Trustee or to the Corporation and the Trustee by the Owners of not less than a majority in aggregate principal amount of Lease Revenue Obligations then Outstanding or the Required Credit Providers or if the failure stated in the notice cannot be corrected within such 120-day period, then the Corporation shall fail to institute corrective action within such 120-day period and diligently pursue the same to completion.

(d) The Corporation or the County shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing;

(e) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Corporation or the County, or of a substantial part of their respective property, under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Corporation or the County or for a substantial part of their respective property, and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days; or

(f) The Trustee receives written notice from any Credit Provider of the occurrence of an “event of default” under the related Credit Provider Agreement.

*Notice of Events of Default under Trust Agreement.* In the event the Corporation or the County is in default, the Trustee shall give notice of such default to the Owners of Lease Revenue Obligations, the Credit Providers, and to Moody’s and S&P. Such notice shall state that

the Corporation or the County is in default and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. The notice provided for in this provision shall be given by first-class mail, postage prepaid, to the Owners within 30 days of such occurrence of default.

*Remedies on Default under Trust Agreement.* Upon the occurrence and continuance of any event of default specified in the Sublease, the Trustee shall, at the written direction of the Required Credit Providers or upon the occurrence and continuance of any Event of Default specified in the Sublease, the Trustee may, with the written consent of the Required Credit Providers, proceed (and upon written request of the Required Credit Providers shall proceed) to exercise the remedies set forth in the Sublease or available to the Trustee under the Trust Agreement.

In addition to the remedies set forth in the preceding paragraph and upon the occurrence and continuance of any Event of Default specified in clause (b) under “-Events of Default under Trust Agreement” above, the Trustee may, and shall, upon written request of the Required Credit Providers, proceed to protect and enforce the rights vested in Owners by the Trust Agreement by appropriate judicial proceedings or proceedings the Trustee deems most effectual. The provisions of the Trust Agreement and all resolutions or orders in the proceedings for the issuance of the Lease Revenue Obligations shall constitute a contract with the Owners of the Lease Revenue Obligations and the Credit Providers, and such contract may be enforced by any Owner of Lease Revenue Obligations or any Credit Providers by mandamus, injunction or other applicable legal action, suit, proceeding or other remedy.

Upon an Event of Default and prior to the curing thereof, the Trustee shall exercise the rights and remedies vested in it by the Trust Agreement with the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Anything in the Trust Agreement to the contrary notwithstanding, the Credit Providers may enter into a written agreement among the Credit Providers appointing one of such Credit Providers to act on their behalf (a “Credit Provider Agent”) in connection with any direction or consent provided for in this provision of the Trust Agreement, and in such event any such direction or consent of such Credit Provider Agent shall constitute the direction or consent of the Credit Providers under this provision of the Trust Agreement.

*Commercial Paper Notes Not Subject to Acceleration.* The Lease Revenue Obligations (including the Commercial Paper Notes) are not subject to acceleration and upon the occurrence of an Event of Default, none of the Trustee, the Issuing and Paying Agent, the Credit Providers, any Owner or any other Person may accelerate the maturity of any of the Lease Revenue Obligations.

*Collection of Base Rental Payments.* The Trustee shall take any appropriate action to cause the County to pay any Base Rental payment not paid when due, upon written request and authorization by the Credit Providers or, if applicable the Owners of a majority in aggregate principal amount of the Lease Revenue Obligations then Outstanding and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

*No Remedy Exclusive.* No remedy conferred in the Trust Agreement upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Trust Agreement and the Sublease, or now or thereafter existing at law or in equity, except as expressly waived therein. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee, the Credit Providers or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in this provision of the Trust Agreement or by law.

*No Additional Waiver Implied by One Waiver.* In the event any provision contained in the Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Trust Agreement.

*Action by Owners.* In the event the Trustee fails to take any action to eliminate an event of default under the Sublease or Event of Default under the Trust Agreement, the Owners of a majority in aggregate principal amount of Lease Revenue Obligations then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Sublease and the Trust Agreement, but only if the Credit Providers or, if applicable, such Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit or proceeding in its name, and unless, also, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

## **THE LEASED PROPERTY**

The County subleases from the Corporation the Property pursuant to the Sublease, which consists of various County-owned properties described below:

Le Sage Complex, located at 550 S. Vermont Avenue, Los Angeles, California 90020.

Central Public Health Center, located at 313 N. Figueroa Street, Los Angeles, California 90012.

DPSS-Adams & Grand, located at 2615 S. Grand Avenue, Los Angeles, California 90007.

DPSS-Exposition Park, located at 3965 S. Vermont Avenue, Los Angeles, California 90037.

Bob Hope Patriotic Hall, located at 1816 S. Figueroa Street, Los Angeles, California 90015.

Olive View-UCLA Medical Center, located at 14445 Olive View Drive, Sylmar, California 91342.

Registrar-Recorder/County Clerk's Office, located at 12400 Imperial Highway Norwalk California 90650.

Challenger Memorial Youth Center, located at 5300 West Avenue I, Lancaster, California 93536.

Pitchess Detention Center Visitor's Center, located at 29300 The Old Road, Castaic, California 91350.

Pitchess Detention Center Laundry Facility, located at 29350 The Old Road, Castaic, California 91350.

Pitchess Detention Center Motor Pool, located at 29300 The Old Road, Castaic, California 91350.

Pitchess Detention Center North County Correctional Facility, located at 29340 The Old Road, Castaic, California 91350.

Central Jail Parking Structure, located at 441 Bauchet Street, Los Angeles, California 90012.

Temple City Sheriff Station, located at 8838 Las Tunas Drive, Temple City, California 91780.

Fire Station 89, located at 29575 Canwood Street, Agoura Hills, California 91301.

Fire Station 72, located at 1832 Decker Canyon Road, Malibu, California 90265.

Fire Station 108, located at 28799 N. Rock Canyon Drive, Santa Clarita, California 91390.

Fire Station 136, located at 3650 Bolz Ranch Road, Palmdale, California 93551.

Fire Station 93, located at 5624 E. Avenue R, Palmdale, California 93552.

Long Beach Comprehensive Health Center, located at 1333 Chestnut Avenue, Long Beach, California 90813.

## **RISK FACTORS**

*The following factors, along with all other information in this Offering Memorandum, including, without limitation, attached hereto, should be considered by potential investors in evaluating the Commercial Paper Notes.*

## **Expiration of Initial Letters of Credit**

The Letters of Credit expire on April 18, 2016, subject to extension or earlier expiration in certain circumstances as described therein. If a Letter of Credit is not extended or an Alternate Credit Facility is not obtained by the Corporation, Commercial Paper Notes of such Series cannot be issued with a maturity date less than five days prior to the stated expiration or termination date of the applicable Letter of Credit unless the Corporation shall have arranged for an Alternate Credit Facility with respect to such Series of Commercial Paper Notes pursuant to the terms of the Trust Agreement. There can be no assurance that the Corporation will be able to obtain an extension of the applicable Letter of Credit or an Alternate Credit Facility. Each LC Bank is under no obligation to extend the applicable Letter of Credit beyond its scheduled expiration.

## **LC Bank's Obligations Unsecured**

The ability of an LC Bank to honor draws upon its Letter of Credit is based solely upon such LC Bank's general credit and is not collateralized or otherwise guaranteed by the United States of America or any agency or instrumentality thereof. No provision has been made for replacement of or substitution for a Letter of Credit in the event of any deterioration in the financial condition of such LC Bank. Neither the Corporation nor any of the LC Banks assume any liability to any purchaser of the Commercial Paper Notes as a result of any deterioration of the financial condition of such LC Bank. Upon any insolvency of an LC Bank, any claim by the Trustee against such LC Bank would be subject to bank receivership proceedings. Further, the market price of the Commercial Paper Notes may be adversely affected by the financial condition of the respective LC Bank. See "Ratings" herein.

## **General Factors Affecting the LC Banks**

Each LC Bank is subject to regulation and supervision by various regulatory bodies. New regulations could impose restrictions upon the LC Banks which would restrict their ability to respond to competitive pressures. Various legislative or regulatory changes could dramatically impact the banking industry as a whole and each LC Bank specifically. The banking industry is highly competitive in many of the markets in which the LC Banks operate. Such competition directly impacts the financial performance of the LC Banks. Any significant increase in such competition could adversely impact each LC Bank.

Prospective purchasers of the Commercial Paper Notes should evaluate the financial strength of each LC Bank based upon the information contained and referred to herein under the caption "THE LETTER OF CREDIT BANKS" and other information available upon request from the LC Banks and should not rely upon any governmental supervision by any regulatory entity.

## **Reinvestment Risk**

The Callable Commercial Paper Notes are subject to redemption prior to maturity with only two Business Days' prior notice. As a result, Owners of the Callable Commercial Paper Notes may have to redeploy their funds in other investments with short notice and at

reinvestment returns that may be different than the interest rates on the Callable Commercial Paper Notes being redeemed.

In addition, Owners of such Callable Commercial Paper Notes would only receive notice of rescission of such proposed redemption from the Depository or the filing with EMMA on the designated Redemption Date and may not have sufficient time to make alternative investment arrangements upon such rescission. Certain adverse market conditions may increase the likelihood of a Failed Remarketing or a Failed Settlement. Prospective investors should carefully consider the possibility of rescission of any proposed redemption of Callable Commercial Paper Notes in its investment decision.

### **Limited Obligations of the County**

**The investment decision to purchase a Series of Commercial Paper Notes should be made solely on the basis of the creditworthiness of the LC Bank that has issued the applicable Letter of Credit from which will be paid all such principal of and interest on such Series of Commercial Paper Notes, rather than the County.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay such principal of and interest on such Series of Commercial Paper Notes. If, for any reason, an LC Bank fails to make a payment due under its Letter of Credit, such principal of and interest on such Series of Commercial Paper Notes may not be paid when due, and the County would have no obligation to make any payments with respect to such Series of Commercial Paper Notes apart from the County's obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to each Series of Commercial Paper Notes are based on the creditworthiness of the LC Bank that has issued the applicable Letter of Credit. See "RATINGS" herein.

Provided that in no circumstances shall the County be required to pay during any Base Rental Period amounts (exclusive of Additional Rental) in excess of aggregate Maximum Base Rental, as such amount may be adjusted in accordance with the terms of the Sublease, the County has covenanted to include all Minimum Required Rental Payments and Additional Rental due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all Minimum Required Rental Payments, Additional Rental, and Minimum Supplemental Rental Payments, subject to the abatement provisions of the Sublease. THE OBLIGATION OF THE COUNTY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE COMMERCIAL PAPER NOTES NOR THE OBLIGATION OF THE COUNTY TO MAKE RENTAL PAYMENTS OR ADDITIONAL RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

## **Abatement**

Except to the extent of (a) available amounts held by the Issuing and Paying Agent in the applicable Base Rental Account and the Direct Placement Revolving Note Payment Subaccount of the Lease Revenue Obligation Payment Fund, and available amounts held by the Issuing and Paying Agent in the Commercial Paper Notes Payment Account or the Bank Reimbursement Account of the Issuing and Paying Agent Fund, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the County for payments in respect of the Sublease or to the Issuing and Paying Agent for payments in respect of the Notes, Rental Payments due under the Sublease shall be subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the County, and the resulting Rental Payments (and such other funds) may not be sufficient to pay all of the remaining principal of and interest on the Commercial Paper Notes. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—Rental Abatement.”

## **No Limitation on Incurring Additional Obligations**

Neither the Sublease nor the Trust Agreement contains any legal limitations on the ability of the County to enter into other obligations that may constitute additional charges against its General Fund revenues. To the extent that the County incurs additional obligations, the funds available to make Rental Payments may be decreased. The County is currently liable on other obligations payable from General Fund revenues and is currently contemplating entering into other such obligations.

## **Limitation on Remedies; No Acceleration Upon an Event of Default**

Upon a failure or breach by the County under the Sublease, the Trustee, as assignee of the Corporation’s rights under the Sublease, has the right, at its option, without any further demand or notice, (a) to reenter any Component and eject all parties in possession therefrom and, without terminating the Sublease, relet the Component as the agent and for the account of the County upon such terms and conditions as the Corporation may deem advisable, in which event the rents received on such reletting shall be applied first to the expenses of reletting and collection, including expenses for repair or restoration of the Component to its original condition (taking into account normal wear and tear), reasonable attorneys’ fees and any real estate commissions actually paid, and second to Base Rental with respect to such Component in accordance with the Sublease and the Trust Agreement and third to Additional Rental with respect to such Component in accordance with the Sublease; *provided*, that if a sufficient sum shall not be realized to pay such sums and other charges then the County shall pay to the Corporation any net deficiency existing on the date when the Base Rental or Additional Rental with respect to such Component is due under the Sublease; *provided, however*, that such reentry and reletting shall be done only with the consent of the County, which consent is hereby irrevocably given; or (b) in lieu of the above, so long as the Corporation or its assignee does not terminate the Sublease or the County’s possession of any Component, to enforce all of its rights and remedies under the Sublease, including the right to recover Base Rental payments as they become due under the Sublease pursuant to Section 1951.4 of the California Civil Code and to otherwise enforce

performance by the County, and to pursue any remedy available in law or in equity, except as expressly provided in the Sublease. Any reentry pursuant to this provision shall be allowed by the County without hindrance, and neither the Corporation nor its assignee shall be liable in damages for any reentry or be guilty of trespass. Notwithstanding any other provision of the Sublease or the Trust Agreement, in no event shall the Corporation or its assignee have the right to accelerate the payment of any Base Rental with respect to the Property under the Sublease.

If the County defaults on its obligations to make Rental Payments, the Trustee, as assignee of the Corporation's rights under the Sublease, would be required to seek a separate judgment each year for that year's defaulted Rental Payments. Any such suit would be subject to limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Rental Payments were due and against funds needed to serve the public welfare and interest.

### **LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION**

The Los Angeles County Capital Asset Leasing Corporation is a nonprofit public benefit corporation duly organized under the Nonprofit Public Benefit Corporation Law (Title 1, Division 2, Part 2 of the California Corporations Code), for the purpose of providing financial assistance to the County by acquiring, constructing, improving, and developing certain equipment and real property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The Corporation was formed at the request of the County in 1983.

The Corporation is a separate legal entity. It is governed by a five-member Board of Directors (the "*Board*") appointed by the Board of Supervisors of the County. The Board members receive no compensation. The Corporation has no employees. All staff work is performed by employees of the County.

### **COUNTY OF LOS ANGELES**

A five-member Board of Supervisors governs the County. The County was established by an act of the State Legislature on February 18, 1850, as one of California's original 27 counties. Located in the southern coastal portion of the State, the County covers 4,084 square miles and includes 88 incorporated cities as well as many unincorporated communities. With an estimated population of over 9.9 million in 2012, the County is the most populous of the 58 counties in California and has a population larger than that of 42 states.

As required by the County Charter, County ordinances, or by State or federal mandate, the County is responsible for providing government services at the local level for activities including, public welfare, health, justice, the maintenance of public records, and the administration and collection of ad valorem taxes.

The County provides services such as law enforcement and public works to certain cities within the County on a cost-recovery contract basis. The County also provides various other municipal services and operates recreational and cultural facilities throughout the County.



## TAX MATTERS

### **Tax Exempt Governmental Commercial Paper Notes**

*Opinion of Note Counsel.* In the opinion of Hawkins Delafield & Wood LLP, Note Counsel to the County and the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax Exempt Governmental Commercial Paper Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax Exempt Governmental Commercial Paper Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Note Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County, the Corporation and others in connection with the Tax Exempt Governmental Commercial Paper Notes, and Note Counsel has assumed compliance by the County and the Corporation with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax Exempt Governmental Commercial Paper Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Note Counsel to the County and the Corporation, under existing statutes, interest on the Tax Exempt Governmental Commercial Paper Notes is exempt from State of California personal income tax.

Note Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Tax Exempt Governmental Commercial Paper Notes. Note Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Note Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Tax Exempt Governmental Commercial Paper Notes, or under state and local tax law.

*Certain Ongoing Federal Tax Requirements and Covenants.* The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax Exempt Governmental Commercial Paper Notes in order that interest on the Tax Exempt Governmental Commercial Paper Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax Exempt Governmental Commercial Paper Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Tax Exempt Governmental Commercial Paper Notes to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance

occurs or is discovered. The County and the Corporation have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Tax Exempt Governmental Commercial Paper Notes from gross income under Section 103 of the Code.

*Certain Collateral Federal Tax Consequences.* The following is a brief discussion of certain collateral Federal income tax matters with respect to the Tax Exempt Governmental Commercial Paper Notes. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Tax Exempt Governmental Commercial Paper Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Tax Exempt Governmental Commercial Paper Notes.

Prospective owners of the Tax Exempt Governmental Commercial Paper Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Tax Exempt Governmental Commercial Paper Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

*Information Reporting and Backup Withholding.* Information reporting requirements apply to interest paid on tax-exempt obligations, including the Tax Exempt Governmental Commercial Paper Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax Exempt Governmental Commercial Paper Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax Exempt Governmental Commercial Paper Notes from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

*Proposed Legislation and Other Matters.* Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Tax Exempt Governmental Commercial Paper Notes under

Federal or state law or otherwise prevent beneficial owners of the Tax Exempt Governmental Commercial Paper Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax Exempt Governmental Commercial Paper Notes. For example, the Fiscal Year 2016 Budget proposed by the Obama Administration recommends a 28% limitation on “all itemized deductions, as well as other tax benefits” including “tax-exempt interest.” The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond, regardless of issue date.

Prospective purchasers of the Tax Exempt Governmental Commercial Paper Notes should consult their own tax advisors regarding the foregoing matters.

### **Tax Exempt 501(c)(3) Commercial Paper Notes**

*Opinion of Note Counsel.* In the opinion of Hawkins Delafield & Wood LLP, Note Counsel to the County and the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax Exempt 501(c)(3) Commercial Paper Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Tax Exempt 501(c)(3) Commercial Paper Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Note Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County, the Corporation, and others in connection with the Tax Exempt 501(c)(3) Commercial Paper Notes, and Note Counsel has assumed compliance by the County, the Corporation and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax Exempt 501(c)(3) Commercial Paper Notes from gross income under Section 103 of the Code. In addition, in rendering its opinion, Note Counsel has relied on the opinion of counsel to user, manager or operator of the property financed or refinanced with proceeds of the Tax Exempt 501(c)(3) Commercial Paper Notes regarding, among other matters, the current qualifications of such user, manager or operator as an organization described in Section 501(c)(3) of the Code.

In addition, in the opinion of Note Counsel to the County and the Corporation, under existing statutes, interest on the Tax Exempt 501(c)(3) Commercial Paper Notes is exempt from State of California personal income tax.

Note Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Tax Exempt 501(c)(3) Commercial Paper Notes. Note Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Note Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an

opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Tax Exempt 501(c)(3) Commercial Paper Notes, or under state and local tax law.

*Certain Ongoing Federal Tax Requirements and Covenants.* The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax Exempt 501(c)(3) Commercial Paper Notes in order that interest on the Tax Exempt 501(c)(3) Commercial Paper Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax Exempt 501(c)(3) Commercial Paper Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Tax Exempt 501(c)(3) Commercial Paper Notes to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The County, the Corporation and the user, manager or operator of the property financed or refinanced with proceeds of the Tax Exempt 501(c)(3) Commercial Paper Notes have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Tax Exempt 501(c)(3) Commercial Paper Notes from gross income under Section 103 of the Code.

*Certain Collateral Federal Tax Consequences.* The following is a brief discussion of certain collateral Federal income tax matters with respect to the Tax Exempt 501(c)(3) Commercial Paper Notes. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Tax Exempt 501(c)(3) Commercial Paper Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Tax Exempt 501(c)(3) Commercial Paper Notes.

Prospective owners of the Tax Exempt 501(c)(3) Commercial Paper Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Tax Exempt 501(c)(3) Commercial Paper Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

*Information Reporting and Backup Withholding.* Information reporting requirements apply to interest paid on tax-exempt obligations, including the Tax Exempt 501(c)(3) Commercial Paper Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity

from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax Exempt 501(c)(3) Commercial Paper Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax Exempt 501(c)(3) Commercial Paper Notes from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

*Proposed Legislation and Other Matters.* Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Tax Exempt 501(c)(3) Commercial Paper Notes under Federal or state law or otherwise prevent beneficial owners of the Tax Exempt 501(c)(3) Commercial Paper Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax Exempt 501(c)(3) Commercial Paper Notes. For example, the Fiscal Year 2015 Budget proposed by the Obama Administration recommended a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, had it been enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond, regardless of issue date.

Prospective purchasers of the Tax Exempt 501(c)(3) Commercial Paper Notes should consult their own tax advisors regarding the foregoing matters.

## **Taxable Commercial Paper Notes**

*Opinion of Note Counsel.* In the opinion of Note Counsel, interest on the Taxable Commercial Paper Notes is included in gross income for Federal income tax purposes pursuant to the Code.

The following discussion is a brief summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of Taxable Commercial Paper Notes by original purchasers of the Taxable Commercial Paper Notes who are "U.S. Owners", as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Taxable Commercial Paper Notes will be held as "capital assets"; and (iii) does not discuss all of the United States Federal income tax consequences that may be relevant to an owner in light of its particular circumstances or to owner subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Commercial Paper Notes as a position in a "hedge" or "straddle", owners whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, owners who

acquire Taxable Commercial Paper Notes in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Owners of Taxable Commercial Paper Notes should consult with their own tax advisors concerning the United States Federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Commercial Paper Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

*Disposition and Defeasance.* Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Commercial Paper Note, an owner generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such owner's adjusted tax basis in the Taxable Commercial Paper Note.

The County may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Commercial Paper Notes to be deemed to be no longer outstanding under the indenture of the Taxable Commercial Paper Notes (a "defeasance"). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Commercial Paper Notes subsequent to any such defeasance could also be affected.

*Backup Withholding and Information Reporting.* In general, information reporting requirements will apply to non-corporate owners with respect to payments of principal, payments of interest, and the accrual of original issue discount on a Taxable Commercial Paper Note and the proceeds of the sale of a Taxable Commercial Paper Note before maturity within the United States. Backup withholding may apply to owners of Taxable Commercial Paper Notes under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service.

*U.S. Owners.* The term "U.S. Owner" means a beneficial owner of a Taxable Commercial Paper Note that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the County to control all substantial decisions of the trust.

*Miscellaneous.* Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, could affect the market price or marketability of the Taxable Commercial Paper Notes.

Prospective purchasers of the Taxable Commercial Paper Notes should consult their own tax advisors regarding the foregoing matters.

## **NO CONTINUING DISCLOSURE**

The offering and sale of the Commercial Paper Notes are exempt from the rules of the United States Securities and Exchange Commission relating to the disclosure of annual financial and operating information and certain material events. Neither the County, the Corporation or the LC Banks are obligated to provide and do not expect to provide any such information.

## **FINANCIAL ADVISOR**

Montague DeRose and Associates, LLC has served as Financial Advisor to the Corporation in connection with the authorization and issuance of the Commercial Paper Notes. In connection with this Offering Memorandum, the Financial Advisor has relied upon officials of the Corporation and the County and other sources, who have access to relevant data to provide accurate information for this Offering Memorandum, and the Financial Advisor has not been engaged, nor have they undertaken, to independently verify the accuracy of such information.

The Financial Advisor is not a public accounting firm and has not been engaged by the Corporation or the County to compile, review, examine or audit any information in this Offering Memorandum.

## **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the authorization and issuance from time to time of the Commercial Paper Notes are subject to the approval of Hawkins Delafield & Wood LLP, Los Angeles, California. Attached to this Offering Memorandum as Appendix A are forms of the opinions of Note Counsel rendered on April 19, 2013 with respect to the Tax Exempt Governmental Commercial Paper Notes and the Taxable Commercial Paper Notes or the proposed form of the opinion of Note Counsel to be given upon issuance of the Tax Exempt 501(c)(3) Commercial Paper Notes. Certain legal matters relating to the Letters of Credit and the Reimbursement Agreements were passed upon for the LC Banks by Chapman and Cutler LLP, Chicago, Illinois, Special Counsel to the LC Banks.

## **CERTAIN RELATIONSHIPS**

The Series A Credit Facility Provider has, subject to the terms and conditions of its respective Reimbursement Agreement, issued the Series A Letter of Credit, in support of the payment of the Callable Commercial Paper Notes. Pursuant to a Commercial Paper Dealer Agreement, J.P. Morgan Securities LLC (“J.P. Morgan Securities”) has agreed to act as Dealer for the Commercial Paper Notes. J.P. Morgan Securities is an affiliate of the Series A Credit Facility Provider. The Series A Credit Facility Provider and J.P. Morgan Securities will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of the Commercial Paper Notes. In certain circumstances, the inability of J.P. Morgan Securities to successfully sell Callable Commercial Paper Notes in connection with the redemption prior to maturity of Callable Commercial Paper Notes could result in the imposition of a surcharge/additional fees to be paid by the Corporation to the Series A Credit Facility Provider under its respective Reimbursement Agreement.

The Series B Credit Facility Provider has, subject to the terms and conditions of its respective Reimbursement Agreement, issued the Series B Letter of Credit, in support of the payment of the Series B Commercial Paper Notes. Pursuant to a Commercial Paper Dealer Agreement, US Bancorp has agreed to act as Dealer for the Commercial Paper Notes. US Bancorp is an affiliate of the Series B Credit Facility Provider. The Series B Credit Facility Provider and US Bancorp will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of the Series B Commercial Paper Notes.

The Series C Credit Facility Provider has, subject to the terms and conditions of its respective Reimbursement Agreement, issued the Series C Letter of Credit, in support of the payment of the Series C Commercial Paper Notes. Pursuant to a Commercial Paper Dealer Agreement, Wells Fargo Securities has agreed to act as Dealer for the Commercial Paper Notes. Wells Fargo Securities is an affiliate of the Series C Credit Facility Provider. The Series C Credit Facility Provider and Wells Fargo Securities will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of the Series C Commercial Paper Notes. Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, in its capacity as a Dealer.

## RATINGS

Fitch, Moody's and S&P have assigned their short-term ratings to the Commercial Paper Notes as set below based upon the issuance of the respective Letter of Credit supporting the payment of the principal amount due and payable at the stated maturity of each Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof by JPMorgan Chase Bank, National Association, U.S. Bank National Association and Wells Fargo Bank, National Association, respectively.

		<u>Short-Term Rating</u>
Callable Commercial Paper Notes	Fitch:	F-1
	Moody's:	P-1
	S&P:	A-1
Series B Commercial Paper Notes	Fitch:	F-1+
	Moody's:	P-1
	S&P:	A-1+
Series C Commercial Paper Notes	Fitch:	F-1+
	Moody's:	P-1
	S&P:	A-1+

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Commercial Paper Notes.



## **ADDITIONAL INFORMATION**

This Offering Memorandum contains certain information for quick reference only; it is not a summary of the terms of the Commercial Paper Notes. Information essential to the making of an informed decision with respect to the Commercial Paper Notes may be obtained in the manner described herein. All references to the documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced which may be obtained in the manner described herein.

Copies of the Trust Agreement, the Issuing and Paying Agent Agreement, the Site Lease, Sublease, the Dealer Agreements, each Letter of Credit and each Reimbursement Agreement may be obtained from the Corporation at the following address:

Los Angeles County Capital Asset Leasing Corporation  
c/o Treasurer and Tax Collector  
432 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

## **APPENDIX A**

### **FORMS OF NOTE COUNSEL APPROVING OPINIONS**

April 19, 2013

Los Angeles County Capital Asset Leasing Corporation  
Los Angeles, California

County of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the County of Los Angeles (the “County”) in connection with the issuance and delivery from time to time of the Lease Revenue Obligations of the Los Angeles County Capital Asset Leasing Corporation (the “Corporation”) in the form of Commercial Paper Notes (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$450,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Second Amended and Restated Trust Agreement, dated as of April 1, 2013 (the “Trust Agreement”), by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “Trustee”), and the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2013 (the “Issuing and Paying Agent Agreement”), by and between Deutsche Bank National Trust Company, as issuing and paying agent thereunder (the “Issuing and Paying Agent”) and the Corporation. The Commercial Paper Notes may be issued and delivered from time to time as Series A Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$150,000,000, Series B Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$100,000,000 or Series C Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$200,000,000 and within a Series, as Tax Exempt Governmental Commercial Paper Notes, Tax Exempt 501(c)(3) Commercial Paper Notes or Taxable Commercial Paper Notes.

The Commercial Paper Notes to be issued and delivered from time to time as Series A Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by JPMorgan Chase Bank, National Association (the “Series A Bank”) on April 19, 2013 (the “Series A Credit Facility”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series A Reimbursement Agreement”), among the Corporation, the County and the Series A Bank. The Commercial Paper Notes to be issued and delivered from time to time as Series B Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Series B Bank”) on April 19, 2013 (the “Series B Credit Facility”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series B Reimbursement Agreement”), among the Corporation, the County and the Series B Bank. The Commercial Paper Notes to be issued and delivered from time to time as Series C Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by Wells Fargo Bank, National Association (the “Series C Bank”) on April 19, 2013 (the “Series C Credit

Facility” and together with the Series A Credit Facility and the Series B Credit Facility, the “Credit Facilities”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series C Reimbursement Agreement” and together with the Series A Reimbursement Agreement and the Series B Reimbursement Agreement, the “Reimbursement Agreements”). All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the County in connection with the issuance and delivery of the Tax Exempt Governmental Commercial Paper Notes. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Tax Exempt Governmental Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

3. The Second Amended and Restated Site Lease, dated as of April 1, 2013 (the “Site Lease”), by and between the County, as lessor, and the Corporation, as lessee and the Second Amended and Restated Sublease, dated as of April 1, 2013 (the “Sublease”), by and between the Corporation, as lessor, and the County, as lessee, have been duly executed and delivered by the County and constitute the valid and binding obligations of the County and are enforceable against the County in accordance with their respective terms.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Tax Exempt Governmental Commercial Paper Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax Exempt Governmental Commercial Paper Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation and the County in connection with the Tax Exempt Governmental Commercial Paper Notes, and we have assumed compliance by the Corporation and the County with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax Exempt Governmental Commercial Paper Notes from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Tax Exempt Governmental Commercial Paper Notes in order that, for Federal income tax purposes, interest on the Tax Exempt Governmental Commercial Paper Notes be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Tax Exempt Governmental Commercial Paper Notes, restrictions on the investment of proceeds of the Tax Exempt Governmental Commercial Paper Notes prior to expenditure and the requirement that certain earnings be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Tax Exempt Governmental Commercial Paper Notes to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date hereof, the Corporation and the County will execute a Tax Certificate (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Corporation and the County covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Tax Exempt Governmental Commercial Paper Notes will, for Federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 4 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Tax Exempt Governmental Commercial Paper Notes, and (ii) compliance by the Corporation and the County with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

5. Under existing statutes, interest on the Tax Exempt Governmental Commercial Paper Notes is exempt from State of California personal income taxes.

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any other Federal, state or local tax consequences arising with respect to the Tax Exempt Governmental Commercial Paper Notes or the ownership or disposition thereof. We express no opinion concerning the exclusion of interest from gross income on any Revolving Note. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for Federal income tax purposes of interest on the Tax Exempt Governmental Commercial Paper Notes.

This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Tax Exempt Governmental Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may

be made to it in any list of closing documents pertaining to the issuance and delivery of the Tax Exempt Governmental Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the enforceability of the Tax Exempt Governmental Commercial Paper Notes, the Site Lease, the Sublease and the Trust Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

We express no opinion herein as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Tax Exempt Governmental Commercial Paper Notes.

You may rely on this opinion as to any Tax Exempt Governmental Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Tax Exempt Governmental Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Tax Exempt Governmental Commercial Paper Notes, (ii) there is no change or proposed change in law, including rulings and interpretations of law by the Internal Revenue Service, from that in effect on the date hereof, (iii) the facts upon which such opinion is based do not change in a materially adverse way, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, the Tax Certificate and any supplemental tax certificates thereto, and other documents executed and delivered by the Corporation and the County in connection with the Tax Exempt Governmental Commercial Paper Notes and the certificates executed and delivered by the Corporation and the County in connection with the Tax Exempt Governmental Commercial Paper Notes remain true and correct and the Corporation and the County continues to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, any of the Credit Facilities or the Reimbursement Agreements or any of the Tax Exempt Governmental Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of, or the exemption from federal income taxation of interest on, the Tax Exempt Governmental Commercial Paper Notes is pending or threatened at the time of delivery of any such Tax Exempt Governmental Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

[Date]

Los Angeles County Capital Asset Leasing Corporation  
Los Angeles, California

County of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the County of Los Angeles (the “County”) in connection with the issuance and delivery from time to time of the Lease Revenue Obligations of the Los Angeles County Capital Asset Leasing Corporation (the “Corporation”) in the form of Commercial Paper Notes (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$450,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Second Amended and Restated Trust Agreement, dated as of April 1, 2013 (the “Trust Agreement”), by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “Trustee”), and the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2013 (the “Issuing and Paying Agent Agreement”), by and between Deutsche Bank National Trust Company, as issuing and paying agent thereunder (the “Issuing and Paying Agent”) and the Corporation. The Commercial Paper Notes may be issued and delivered from time to time as Series A Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$150,000,000, Series B Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$100,000,000 or Series C Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$200,000,000 and within a Series, as Tax Exempt Governmental Commercial Paper Notes, Tax Exempt 501(c)(3) Commercial Paper Notes or Taxable Commercial Paper Notes.

The Commercial Paper Notes to be issued and delivered from time to time as Series A Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by JPMorgan Chase Bank, National Association (the “Series A Bank”) on April 19, 2013 (the “Series A Credit Facility”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series A Reimbursement Agreement”), among the Corporation, the County and the Series A Bank. The Commercial Paper Notes to be issued and delivered from time to time as Series B Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Series B Bank”) on April 19, 2013 (the “Series B Credit Facility”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series B Reimbursement Agreement”), among the Corporation, the County and the Series B Bank. The Commercial Paper Notes to be issued and delivered from time to time as Series C Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by Wells Fargo Bank, National Association (the “Series C Bank”) on April 19, 2013 (the “Series C Credit Facility” and together with the Series A Credit Facility and the Series B Credit Facility, the “Credit Facilities”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series C Reimbursement Agreement” and together with the Series A Reimbursement Agreement and the Series B Reimbursement Agreement, the “Reimbursement

Agreements”). All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the County in connection with the issuance and delivery of the Tax Exempt 501(c)(3) Commercial Paper Notes. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Tax Exempt 501(c)(3) Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

3. The Second Amended and Restated Site Lease, dated as of April 1, 2013 (the “Site Lease”), by and between the County, as lessor, and the Corporation, as lessee and the Second Amended and Restated Sublease, dated as of April 1, 2013 (the “Sublease”), by and between the Corporation, as lessor, and the County, as lessee, have been duly executed and delivered by the County and constitute the valid and binding obligations of the County and are enforceable against the County in accordance with their respective terms.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Tax Exempt 501(c)(3) Commercial Paper Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax Exempt 501(c)(3) Commercial Paper Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation and the County in connection with the Tax Exempt 501(c)(3) Commercial Paper Notes, and we have assumed compliance by the Corporation, the County and the [Name of 501(c)(3) User] and we have assumed compliance by the Corporation, the County and the [Name of 501(c)(3) User] with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax Exempt 501(c)(3) Commercial Paper Notes from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Tax Exempt 501(c)(3) Commercial Paper Notes in order that, for Federal

income tax purposes, interest on the Tax Exempt 501(c)(3) Commercial Paper Notes be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Tax Exempt 501(c)(3) Commercial Paper Notes, restrictions on the investment of proceeds of the Tax Exempt 501(c)(3) Commercial Paper Notes prior to expenditure and the requirement that certain earnings be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Tax Exempt 501(c)(3) Commercial Paper Notes to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date hereof, the Corporation and the County will execute a Tax Certificate (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Corporation and the County covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Tax Exempt 501(c)(3) Commercial Paper Notes will, for Federal income tax purposes, be excluded from gross income. In connection therewith, on the date hereof, the [Name of 501(c)(3) User] will deliver tax certifications with respect to such Tax Exempt 501(c)(3) Commercial Paper Notes, and in executing such tax certifications, the [Name of 501(c)(3) User] covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Tax Exempt 501(c)(3) Commercial Paper Notes will, for Federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 4 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Tax Exempt 501(c)(3) Commercial Paper Notes, and (ii) compliance by the Corporation, the County and the [Name of 501(c)(3) User] with the procedures and covenants set forth in the Tax Certificate and related tax certifications as to such tax matters.

5. Under existing statutes, interest on the Tax Exempt 501(c)(3) Commercial Paper Notes is exempt from State of California personal income taxes.

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any other Federal, state or local tax consequences arising with respect to the Tax Exempt 501(c)(3) Commercial Paper Notes or the ownership or disposition thereof. We express no opinion concerning the exclusion of interest from gross income on any Revolving Note. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for Federal income tax purposes of interest on the Tax Exempt 501(c)(3) Commercial Paper Notes.



This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Tax Exempt 501(c)(3) Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Tax Exempt 501(c)(3) Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the enforceability of the Tax Exempt 501(c)(3) Commercial Paper Notes, the Site Lease, the Sublease and the Trust Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

We express no opinion herein as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Tax Exempt 501(c)(3) Commercial Paper Notes.

In rendering our opinion, have relied on the opinion of [\_\_\_\_\_], counsel to the [Name of 501(c)(3) User], regarding, among other matters, the current qualification of the [Name of 501(c)(3) User] as an organization described in Section 501(c)(3) of the Code. We note that such opinion is subject to a number of qualifications and limitations. The [Name of 501(c)(3) User] has covenanted that it will do nothing to impair its status as a tax-exempt organization, and that it will comply with the requirements of the Code and any applicable regulations throughout the term of the Tax Exempt 501(c)(3) Commercial Paper Notes. Failure of the [Name of 501(c)(3) User] to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of the status of the [Name of 501(c)(3) User] as an organization described in Section 501(c)(3) of the Code or to use the assets being financed with the proceeds of the Tax Exempt 501(c)(3) Commercial Paper Notes in activities of the [Name of 501(c)(3) User] that do not constitute unrelated trades or businesses within the meaning of Section 513 of the Code may result in interest on the Tax Exempt 501(c)(3) Commercial Paper Notes being included in gross income for Federal income tax purposes, possibly from the date of issuance of the Tax Exempt 501(c)(3) Commercial Paper Notes.

You may rely on this opinion as to any Tax Exempt 501(c)(3) Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Tax Exempt 501(c)(3) Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Tax Exempt 501(c)(3) Commercial Paper Notes, (ii) there is no change or proposed change in law, including rulings and interpretations of law by the Internal Revenue Service, from that in effect on the date hereof, (iii) the facts upon which such opinion is based do not change in a materially adverse way, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, the Tax Certificate and any supplemental tax certificates thereto, and other documents executed and delivered by the Corporation and the County in connection with the Tax Exempt 501(c)(3) Commercial Paper Notes and the certificates executed and delivered by the Corporation and the County in connection with the Tax Exempt 501(c)(3) Commercial Paper Notes remain true and correct and the Corporation and the County continues to comply with their

respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, any of the Credit Facilities or the Reimbursement Agreements or any of the Tax Exempt 501(c)(3) Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of, or the exemption from federal income taxation of interest on, the Tax Exempt 501(c)(3) Commercial Paper Notes is pending or threatened at the time of delivery of any such Tax Exempt 501(c)(3) Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

April 19, 2013

Los Angeles County Capital Asset Leasing Corporation  
Los Angeles, California

County of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the County of Los Angeles (the “County”) in connection with the issuance and delivery from time to time of the Lease Revenue Obligations of the Los Angeles County Capital Asset Leasing Corporation (the “Corporation”) in the form of Commercial Paper Notes (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$450,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Second Amended and Restated Trust Agreement, dated as of April 1, 2013 (the “Trust Agreement”), by and between the Corporation and Deutsche Bank National Trust Company, as trustee (the “Trustee”), and the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2013 (the “Issuing and Paying Agent Agreement”), by and between Deutsche Bank National Trust Company, as issuing and paying agent thereunder (the “Issuing and Paying Agent”) and the Corporation. The Commercial Paper Notes may be issued and delivered from time to time as Series A Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$150,000,000, Series B Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$100,000,000 or Series C Commercial Paper Notes in an aggregate principal amount outstanding at any time of up to \$200,000,000 and within a Series, as Tax Exempt Governmental Commercial Paper Notes, Tax Exempt 501(c)(3) Commercial Paper Notes or Taxable Commercial Paper Notes.

The Commercial Paper Notes to be issued and delivered from time to time as Series A Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by JPMorgan Chase Bank, National Association (the “Series A Bank”) on April 19, 2013 (the “Series A Credit Facility”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series A Reimbursement Agreement”), among the Corporation, the County and the Series A Bank. The Commercial Paper Notes to be issued and delivered from time to time as Series B Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Series B Bank”) on April 19, 2013 (the “Series B Credit Facility”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series B Reimbursement Agreement”), among the Corporation, the County and the Series B Bank. The Commercial Paper Notes to be issued and delivered from time to time as Series C Notes are entitled to the benefit of, and payments made under, the irrevocable direct-pay letter of credit issued by Wells Fargo Bank, National Association (the “Series C Bank”) on April 19, 2013 (the “Series C Credit Facility” and together with the Series A Credit Facility and the Series B Credit Facility, the “Credit Facilities”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of April 1, 2013 (the “Series C Reimbursement Agreement” and together with the Series A Reimbursement Agreement and the Series B Reimbursement Agreement, the “Reimbursement

Agreements”). All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the County in connection with the issuance and delivery of the Taxable Commercial Paper Notes. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Taxable Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

3. The Second Amended and Restated Site Lease, dated as of April 1, 2013 (the “Site Lease”), by and between the County, as lessor, and the Corporation, as lessee and the Second Amended and Restated Sublease, dated as of April 1, 2013 (the “Sublease”), by and between the Corporation, as lessor, and the County, as lessee, have been duly executed and delivered by the County and constitute the valid and binding obligations of the County and are enforceable against the County in accordance with their respective terms.

4. Under existing statutes, interest on the Taxable Commercial Paper Notes is exempt from State of California personal income taxes.

Except as stated in paragraph 4 above, we express no opinion as to any other Federal, state or local tax consequences arising with respect to the Taxable Commercial Paper Notes or the ownership or disposition thereof. We express no opinion concerning the exclusion of interest from gross income on any Revolving Note. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves.

This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Taxable Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Taxable Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the enforceability of the Taxable Commercial Paper Notes, the Site Lease, the Sublease and the Trust Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

We express no opinion herein as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Taxable Commercial Paper Notes.

You may rely on this opinion as to any Taxable Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Taxable Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Taxable Commercial Paper Notes, (ii) there is no change or proposed change in law, including rulings and interpretations of law by the Internal Revenue Service, from that in effect on the date hereof, (iii) the facts upon which such opinion is based do not change in a materially adverse way, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, the Tax Certificate and any supplemental tax certificates thereto, and other documents executed and delivered by the Corporation and the County in connection with the Taxable Commercial Paper Notes and the certificates executed and delivered by the Corporation and the County in connection with the Taxable Commercial Paper Notes remain true and correct and the Corporation and the County continues to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, any of the Credit Facilities or the Reimbursement Agreements or any of the Taxable Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of, or the exemption from federal income taxation of interest on, the Taxable Commercial Paper Notes is pending or threatened at the time of delivery of any such Taxable Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

**APPENDIX B**  
**MAXIMUM BASE RENTAL SCHEDULE**

[See attached pages]